

# DAILY REPORT

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*China*

Vol I No 099

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UN SECRETARY GENERAL WALDHEIM TO VISIT PRC IN JUNE

OW210327 Hong Kong AFP in English 0321 GMT 21 May 81

[Text] Beijing, 21 May (AFP)--United Nations Secretary General Kurt Waldheim will visit China next month, according to official sources here.

The exact date of his visit is not yet known.

PRC TEAM MEETS TRILATERAL COMMISSION IN BEIJING

OW211313 Beijing XINHUA in English 1254 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Prominent figures in China's political, diplomatic and economic life today opened their first-ever meeting with members of the North American-European-Japanese Trilateral Commission. The meeting was arranged by the Chinese People's Institute of Foreign Affairs at the suggestion of the commission.

Among the 26 Chinese representatives are Hao Deqing, president of the Institute of Foreign Affairs, Xiong Xianghui, Xie Li, Xue Muqiao, Xu Xin, Lei Renmin, Huan Xiang, Xu Dixin, Bu Ming, Li Wenxue and Pei Monong. Among the 33 representatives of the Trilateral Commission were its European chairman, Georges Berthoin from France, international honorary chairman of the European Movement; the Japanese chairman, Takeshi Watanabe, chairman of the Asia Community Trust; the Japanese deputy chairman, Nobuhiko Ushiba, advisor to the Japanese minister of foreign affairs; and the North American chairman, David Rockefeller, former chairman of the Chase Manhattan Bank; and executive members and members of the commission.

In his welcoming speech, Hao Deqing said: "This is an important event in the friendly contacts between the Chinese people and the peoples of Europe, North America and Japan. It will add a new page to the annals of the friendly relations between them."

He said: "The present international situation is becoming increasingly turbulent. In face of the grave challenge from the Soviet hegemonists, it is essential for the people of the world to make tremendous efforts to safeguard world peace."

He added: "I believe that our discussions will enable us to have an even more realistic understanding of the complex international situation and thus make our due contributions to the lofty cause of maintaining world peace by effective actions." He said: "During the meeting, we will also discuss how to increase and strengthen our bilateral cooperation."

Hao Deqing said: "There might be this or that kind of differing views between us on some international issues due to different conditions in our respective countries. This is understandable." He said the current discussion "is of great importance for promoting understanding, deepening friendship and developing cooperation." He added: "I believe that there will be even more common points shared by us as the international situation develops."

Mr Rockefeller said in his opening remarks: "We hope to leave here wiser." He hoped that a great deal would come out of the meeting. He said he expected the talks to be "useful and direct in proportion to our frankness and openness in talking to each other," and that the meeting would prove to be a "further move toward a more peaceful world."

The meeting then went into closed sessions.



The Trilateral Commission, founded in 1973, is a private international organization. It is made up of some 290 well-known political, economic and military figures not in public service and scholars from two North American and 11 European countries and Japan. They meet annually in one of the three regions to exchange views about regional and global matters. In June 1979, the executive committee of the commission proposed that its leaders meet Chinese personalities to share ideas about issues of mutual interest. The two sides reached agreement in 1980 that the Chinese People's Institute of Foreign Affairs would host a meeting between relevant personalities of both sides in Beijing.

The guests from the Trilateral Commission arrived here yesterday. In the evening they were honored at a banquet hosted by the Chinese People's Institute of Foreign Affairs.

#### VICE PREMIER WAN LI MEETS RAILWAY SEMINAR DELEGATES

OW191609 Beijing XINHUA in English 1545 GMT 19 May 81

[Text] Beijing, 19 May (XINHUA)--Wan Li, vice premier of the State Council, met with delegates to the seminar-cum-study tour on new railway construction, sponsored by the UN Economic and Social Commission for Asia and Pacific and United Nations Development Program held in Beijing, in the Great Hall of the People this afternoon. Wan Li talked with the foreign delegates and wished the seminar success.

Ebni-Ali, chief of the transport, communications and tourism division of FSCAP, was also present. Liu Jianzhang and Bu Ke, leading officials of the Chinese Ministry of Railways, also attended.

The seminar, arranged by the Chinese Ministry of Railways, was opened yesterday. Delegates from Bangladesh, Burma, India, Malaysia, Sri Lanka, Thailand, China and ESCAP officials attended the seminar. The main purpose of the seminar is the exchange of technology and experience in construction of railway bridges, tunnels and new lines.

#### THAI, YUGOSLAV, MEXICAN GUESTS FETED IN SHANGHAI

OW220922 Shanghai City Service in Mandarin 2300 GMT 21 May 81

[Text] An eight-member joint delegation of the deaf and blind people of Yugoslavia headed by (Vukdic), chairman of the World Federation of the Deaf, arrived in Shanghai on 19 May for a visit. On the evening of 20 May, Vice Mayor of Shanghai Zhao Xingzhi met and feted the Yugoslav guests. The Yugoslav friends departed Shanghai for Hangzhou on 22 May to continue their visit in China.

General Soem Na Nakhon, vice premier of Thailand and supreme commander of the Thai Armed Forces, his wife and their party left for Guangzhou by a special plane on the morning of 22 May, winding up their visit to Shanghai. They were warmly seen off at the airport by (Zhang Cheng), political commissar of the Shanghai garrison district. The Thai guests arrived in Shanghai from Hangzhou on 20 May. They were feted by Political Commissar (Zhang Cheng) that same evening.

The delegation of the Mexican National Council for the Promotion of Youth Development headed by Chairman (Sylvia Hernandez) concluded its visit to China and left Shanghai on 21 May. During its stay in Shanghai, the delegation was feted by Zhang Chengzong, vice chairman of the Standing Committee of the Shanghai Municipal People's Congress.

REAGAN, SCHMIDT WARN OF 'SOVIET MILITARY THREAT'

OW220720 Beijing XINHUA in English 0708 GMT 22 May 81

[Text] Beijing, 22 May (XINHUA)--U.S. President Ronald Reagan and the visiting West German Chancellor Helmut Schmidt yesterday spoke sternly about the dangers of the growing Soviet military strength and called for Western unity in face of the Soviet military threat, according to Washington reports.

In their first round of talks in the White House after Schmidt's arrival in Washington on May 20 for an official visit to the United States, the two leaders reportedly held a general discussion on matters of mutual interests, including East-West relations, the "activities of the Soviet Union globally" and bilateral relations between their two countries. President Reagan assured his West German guests that "the United States will work in partnership with you and with our allies to bolster NATO and to offset the disturbing buildup of Soviet military forces."

In his welcoming remarks, Reagan reaffirmed the U.S. commitment to support a 1979 NATO decision to deploy 572 cruise and Pershing-two nuclear missiles in Western Europe. He also said that the United States is committed to engage in "meaningful" talks with the Soviet Union later this year on limiting medium-range missile deployments in Europe.

Schmidt expressed concern about "the serious international situation" and particularly referred to "the excessive Soviet arms buildup and the challenge to the community of nations stemming from Soviet intervention in Afghanistan." He said, "The excessive Soviet arms buildup" is one of the major challenges of the 1980s. To cope with these challenges, he stressed, the Western allied nations should pursue a policy of "determination, joint action, consistency, predictability and reliability". He reiterated the call by NATO members in Rome three weeks ago for U.S.-Soviet negotiations on limiting medium-range nuclear missiles in Europe.

Schmidt is also scheduled to have talks with U.S. Secretary of State Alexander Haig and Defense Secretary Caspar Weinberger during his visit.

VICE PREMIER BO YIBO MEETS BOEING OFFICIALS

OW211540 Beijing XINHUA in English 1531 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Vice Premier Bo Yibo met here today with T.A. Wilson, chairman of the board of the Boeing Company, and his party in the Great Hall of the People. Present were Mo Wenxiang, vice minister of the Third Ministry of Machine-Building.

VICE PREMIER FANG YI MEETS MARYLAND U. DELEGATION

OW211219 Beijing XINHUA in English 1204 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Vice Premier Fang Yi met with a delegation from the University of Maryland led by Professor Robert Gluckstern, chancellor of the university's College Park campus, here today. They had a friendly discussion on increasing academic exchanges and cooperation between Maryland and Chinese universities and scientific research institutions.

Yan Jici, executive chairman of the Presidium of the Scientific Council of the Chinese Academy of Sciences, attended the meeting.

LIAOWANG ON SOVIET DOMESTIC, INTERNATIONAL PROBLEMS

OW201956 Beijing XINHUA in English 1928 GMT 20 May 81

["Beijing Magazine OBSERVATION POST on Moscow's Current Predicament"--XINHUA headline]

[Text] Beijing, 20 May (XINHUA)--The magazine OBSERVATION POST in its second issue published here today carried a signed article on the awkward position the Soviet Union now finds itself in both at home and abroad. The article is entitled: "Kremlin's Vexations".

It says that people will focus their attention on the year of 1981 when they look back into the international situation in the 1980s in future for the Kremlin finds too many worrisome issues in this year.

The Soviet Union, with its military power on a par with and its economic strength second only to the United States, the article notes, is a superpower which has had its prime. The first thing that worries the Kremlin in the second spring of the 1980s is the fact that it has grown senile and walks with faltering steps. In the post-Stalin period from the 1950s to mid-70s, the Soviet national economy, by relying on the foundation laid down in the scores of years following the October Revolution, had developed at a speed higher than all advanced capitalist countries except Japan, narrowing the gap with the United States in the economic level year by year. It had caught up with and surpassed the U.S. in the output of a dozen of major industrial products such as steel, oil, coal, cement and tractors to become the world's top producer. However, for the Soviet Union today things are quite different from what they were in the past. Its internal contradictions, political and economic ones in particular, are aggravating. Its ossified political and economic systems are fraught with drawbacks. Its economic development by which it could confront with the U.S. has lost its momentum substantially with economic growth rate remaining in a downward trend. In the tenth five-year plan (1976-1980) the Soviet Union managed to keep the growth rate at three or four percent, nosediving to the lowest point in peace time. Five years ago, Brezhnev promised to the Russians at the platform of the 25th CPSU Congress to expand the Soviet economy "rapidly" and "swiftly" in the tenth five-year period. Now this has turned out to be a great empty talk. On top of the failures both in the eighth and ninth five-year plans, the Soviet Union has fallen short of all general economic indexes and the great majority of industrial and agricultural production targets in the tenth five-year plan. Three consecutive failures in fulfilling five-year plans are rare in the history of the USSR. The economic power of the Soviet Union, having contracted a giantism with functional disorders within its institution, has found it no easy task to revitalize itself. Its economic efficiency is rather low and quality problem more outstanding than ever before. Disproportion remains a festering trouble of the country's economy which is growing more serious. The Kremlin is not what it used to be in the world today, says the article. A few years ago things moved favorably for the Soviet Union in world affairs. With its increasing economic strength plus its reckless military expansion at all expenses, the Soviet Union has in less than 10 years expanded its strategic nuclear arms several times and caught up with the U.S. in strength. This forced the U.S. president to pay an unprecedented visit to Moscow in 1972, going "from confrontation to negotiation" and signing treaties and agreements with the Soviet Union. This has confirmed the superpower status of the Soviet Union on an equal footing with the U.S.



The article points out that since the end of Vietnam war in 1975, the U.S. has had to withdraw from Indochina and Southeast Asia to contract its forces and reduce its defence circle in the west Pacific region. The Soviet Union has once again gained the opportunity to "fill the vacuum." The same year saw the opening of the European Security Conference, for which the Kremlin had worked many years, and the Soviet-type "detente" had reached its zenith.

In the march strains of "detente" and "disarmament", the Soviet sphere of influence in Europe gained since the last war has been made secure and the Kremlin has subsequently gained an upper hand in its scramble for the Mideast, north and south Africa. The Soviet Union has made its presence southward in the Indian Ocean and the Gulf region and at the same time moved its foothold from Vladivostok to the south by several thousand miles.

But good luck did not last long, the article says. In the Kremlin's vision today, there are dark clouds and storms everywhere. The Soviet penetration and expansion in the Mideast and Africa have been frustrated. By invading Afghanistan and supporting the Vietnamese to invade Kampuchea, the Soviet Union has found itself so unpopular in the world that only the U.S. could once compare with. The Soviet prestige in the Third World has fallen from its peak.

The surging people's resistance in Afghanistan has drawn the Soviet Union into the abyss of another Vietnam-type war. Meanwhile, inside its "community" the possible earthquake caused by the turmoil in Poland is a nightmare haunting the Kremlin. At the same time, the tendency in the Western world from the Potomac River to the Thames is also changing. The term "detente" is no longer fashionable for authorities in London, Bonn and Paris. They begin to be more concerned about the defence of their own countries and "stable balance of forces."

Having got rid of the trauma of the "Vietnam sickness," the article says, the Reagan administration has refused the Soviet proposal for "detente with selection" and demanded that the Kremlin abide by new rules in the fight for hegemony. The new U.S. Government has changed the policy of strategic draw-back practised since the Nixon time and advocated once again the strategy known as globalism in order to contain the Soviet expansion and arrest the decline of the U.S. position in the world. The U.S. has begun its unprecedented peace-time military expansion with the aim of doubling the country's military appropriations in a five-year period. This is designed to "counterattack any Soviet threat."

The article says that the present challenge is very serious and the future unpredictable. It is still a question as to how much the Soviet Union can realize its eleventh five-year plan beginning this year: to lay continuous stress on quality and efficiency, to improve planning and management and adjust the inter-related proportions between various economic sectors. A new round of armament competition between the two superpowers seems inevitable. The Soviet Union will certainly not allow the U.S. to regain its military superiority, but how can its economy as it is afford full-scale competition? In order to free itself from the present dilemma internationally, soften the Soviet policy pursued by the West and first of all the U.S., the Kremlin has started its "peace offensive" since the 26th CPSU Congress. Can the high-sounding "detente" and "disarmament" cover the march of the hegemonist expansion? It will be interesting years later to recall these disturbing questions for the Kremlin today.

KWANGJU UPRISING ANNIVERSARY MARKED IN BEIJING

OW201507 Beijing XINHUA in English 1501 GMT 20 May 81

[Text] Beijing, 20 May (XINHUA)--Chon Myong-su, ambassador of the Democratic People's Republic of Korea to China, gave a film reception here this afternoon to mark the first anniversary of the Kwangju uprising of the South Korean people.

Among the guests at the reception were Lin Liyun, vice president of the All-China Women's Federation; Zhang Ruiying, vice president of the All-China Federation of Trade Unions; Li Haifeng, member of the Secretariat of the Central Committee of the Chinese Communist Youth League as well as representatives of various mass organizations.

A documentary on the Kwangju uprising in South Korea last year and a feature were shown at the reception. Also to mark the occasion, a cable was sent yesterday by the Communist Youth League, the All-China Youth Federation and the All-China Students Federation to the Central Committee of the Socialist Working Youth League of Korea and the Korean Students' Committee.

NI ZHIFU MEETS DPRK TRADE UNION DELEGATION

OW201557 Beijing XINHUA in English 1550 GMT 20 May 81

[Text] Beijing, 20 May (XINHUA)--Ni Zhifu, chairman of the All-China Federation of Trade Unions, met here today with a delegation from the Korean professional trade unions.

The delegation is led by Kim Hi-su, vice chairman of the Central Committee of the General Federation of Trade Unions of Korea, and chairman of the Central Committee of the metal and machinery trade union.

The delegation arrived yesterday as guests of the Chinese federation. Chen Yu, vice chairman of the union, gave a dinner in honor of the Korean guests.

The delegation is scheduled to visit Hangzhou, Shanghai, Changzhou, and Nanjing.

U.S., JAPAN END NAVAL EXERCISES EARLY

OW211846 Beijing XINHUA in English 1840 GMT 21 May 81

[Text] Tokyo, 21 May (XINHUA)--The Japanese Defence Agency decided this evening that the anti-submarine warfare exercises conducted by Japanese and U.S. warships in the Akita waters of the Japan Sea will halt immediately. Consultations have been held with the American side.

The exercises beginning from May 12 are scheduled to end on May 23. However, during the course of the exercises, a number of fishing nets of Japanese fishermen were damaged in the exercise zone, inflicting heavy losses on the fishermen. They lodged protest with the government, demanding for a halt of the exercises.

According to the Japanese-U.S. military sources, however, these fishing nets were probably cut by a Russian frigate which was cruising in the area ostensibly to keep tabs on the exercises.

KYODO reported that the Japanese newly appointed Foreign Minister Sunao Sonoda said this afternoon at the foreign policy committee of the House of Councillors that with the occurring of the net cutting incident, the Foreign Ministry had immediately demanded the exercises be halted.



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PRC INTERNATIONAL AFFAIRS  
NORTHEAST ASIA

VISITING JAPANESE SCHOLARS MEET PRC OFFICIALS

Meeting With Liao Chengzhi

OW191319 Beijing XINHUA in English 1310 GMT 19 May 81

[Text] Beijing, 19 May (XINHUA)--Liao Chengzhi, vice chairman of the Standing Committee of the National People's Congress and president of the China-Japan Friendship Association, met and had a cordial talk with a group of Japanese scholars on humanities and social sciences here today.

The group is led by Hiromi Arisawa, president of the Japan-China Association for Exchanges in Humanities and Social Sciences and president of the Japan Academy, and Takeo Kuwahara, vice president of the Japan-China Association for Exchanges in Humanities and Social Sciences. After the meeting, Liao Chengzhi gave a breakfast for the visitors.

The Japanese guests arrived here yesterday.

Meeting With Bo Yibo

OW201511 Beijing XINHUA in English 1504 GMT 20 May 81

[Text] Beijing, 20 May (XINHUA)--Bo Yibo, vice premier of the State Council, met here this afternoon with a Japanese delegation from the Japan-China Association for Exchange in Human Sociology. Hiromi Arisawa, president of the association, and Takeo Kuwahara, vice president, are leading the group.

The members of the delegation are respected scholars, among whom the youngest is 64 and the oldest 85.

During their meeting, Bo Yibo told the guests about China's national economic development since the founding of the People's Republic. He said China's economic readjustment is an inexorable trend. China, he said, has been engaged in economic construction for thirty years. It is necessary to draw lessons from successes and failures and readjust those economic scope which do not work. After the readjustment, the economy will make a new start on a solid basis.

Wang Guangmei, head of the Foreign Affairs Bureau of the Chinese Academy of Social Sciences, and Kenzo Yoshida, Japanese ambassador to China, were also present.

VICE PREMIER BO YIBO MEETS JAPANESE YOUTH

OW211221 Beijing XINHUA in English 1202 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Vice Premier Bo Yibo met and had a cordial conversation here today with principal members of a youth delegation for Japan-China friendship from Yamanashi Prefecture led by its Governor Komei Mochizuki.

Ding Kejian, deputy director of the General Administration for Travel and Tourism of China, was present.

SICHUAN'S TAN QILONG MEETS JAPANESE DELEGATION

HK220232 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 21 May 81

[Summary] Sichuan Provincial CCP Committee First Secretary Tan Qilong received a delegation from the Japan-China Agriculture (and Forestry) Exchange Association in Chengdu on 21 May. Vice Governor Liu Haiquan gave a banquet for the Japanese guests. The delegation, which was invited to China by the All-China Youth Federation, arrived in Chengdu by plane from Beijing on 20 May.

ASEAN STANDING COMMITTEE MEETS IN MANILA

OW211614 Beijing XINHUA in English 1603 GMT 21 May 81

[Text] Manila, 21 May (XINHUA)--The Standing Committee of ASEAN (the Association of South-east Asian Nations) agreed that the proposed international conference on Kampuchea should involve "the participation of all conflicting parties in Kampuchea and others concerned with the conflict in accordance with the UN General Assembly Resolution 35/6."

This was declared in a press statement issued here at noon today at the end of a closed-door session of the fifth meeting of the ASEAN Standing Committee.

The statement said the meeting also discussed problems on ASEAN's relations with the United States, Japan, Canada and the EEC.

In his opening statement, Carlos P Romulo, foreign minister of the Philippines and chairman of the Standing Committee, said when the ASEAN foreign ministers met in Jakarta they strongly demonstrated the essential unity of ASEAN on regional and international issues... They unanimously restated ASEAN's determination to work for the early convening of the international conference on Kampuchea. This should finally lay to rest all outside speculation that on this issue ASEAN was and is divided."

"The foreign ministers also welcomed the efforts to unify the nationalist elements in Kampuchea in defense of the sovereignty and territorial integrity of that country," Romulo added.

After recalling the achievements of ASEAN during the past 14 years, Romulo said, "Today, ASEAN speaks with a respected voice on regional and international issues in regional and international fora. The weight of ASEAN on the politics of the Southeast Asian region is now widely felt."

XINHUA INTERVIEWS DK ARMY LEADER ON VICTORIES

OW201319 Beijing XINHUA in English 1259 GMT 20 May 81

[Text] Phnom Dangrek, Kampuchea, 20 May (XINHUA)--"The Kampuchean National Army and guerilla units won a major victory in the last dry season.

"The Western war theatre has linked up with the eastern war theatre. In the past, the National Army in the eastern war theatre was rather weak, but now its strength has evened up in the western and eastern war theatres," said Chhit Choeun, vice-chairman of the supreme commission, and chief of the general staff, of the National Army of Democratic Kampuchea.

Chhit Choeun said this in an interview with a group of XINHUA correspondents yesterday at a place on Phnom Dangrek Mountain in the northern war theatre of Democratic Kampuchea, when he was elaborating the combat successes of the National Army in the just-ended dry season as well as the current general situation in the various battle-fields of the country. Kampuchea.

After a review of the combat success of the National Army and guerrillas in the last dry season, Chhit Khoeun said the general combat objective and requirements for the National Army are: to annihilate and weaken as many enemy effectives as possible, but not to seek the taking of enemy strongholds as the sole aim of operation. However, whenever circumstances allow, certain enemy strongholds would be liberated for sure.

The National Army has employed the following tactics: taking guerrilla warfare as its basic method of operation and supported by artillery shelling, cut off enemy communication lines, raid Vietnamese strongholds, hit hard at the enemy incessantly and wear out the enemy. As a result, the enemy has been thrown into an extremely awkward position in which his troops cannot eat or sleep in peace.

When the National Army launched an offensive against the enemy along Highway 6 late last December and cut off many sections of the highway on several occasions, the enemy had to call back his men from many places along the border in order to guard the highway.

He noted that the enemy so suffered from a shortage of manpower that the National Army was able to attack enemy strongholds incessantly and expand the liberated area. For instance, he continued, the National Army has overrun all the enemy strongholds from Anlong Veng down to the Mekong River and advanced deep into the enemy-controlled areas.

Referring to the present battle situation, Chhit Choeun said: "At present, the fiercest battles are being fought between the two sides in northern Kokong Province and along the major highways and transportation lines of the country. Vietnam is now moving its troops from different parts of the country to the Kokong war theatre and suffering many casualties."

#### VIETNAM REINFORCES TROOPS ALONG THAI BORDER

OW201212 Beijing XINHUA in English 1200 GMT 20 May 81

[Text] Bangkok, 20 May (XINHUA)--Thai frontier troops have been put on the alert by the recent deployment of Vietnamese reinforcements in the Kampuchean region bordering Thailand's Prachin Buri Province, reported TAWAN SIAM today.

The TAWAN SIAM correspondent reported, after an interview with an officer of the Democratic Kampuchean Armed Forces in Kampuchea, that Vietnam has recently deployed a division and large quantities of weapons including SAM-4 missiles in Nimip village, Battambang Province.

At the same time, about 50 Vietnamese T-54 tanks concentrated in Sisophon area were moving toward Nimip village. Besides, more tanks were heading for Maheun Phnom. Democratic Kampuchean Armed Forces are prepared to repel the Vietnamese attack.

Pointing toward Thailand, SAM-4 missiles with a firing range of 30 kilometers were only 14 kilometers away from Aranyaprathet, Thai border city. Thai frontier troops have received orders to be on the alert, step up patrol duties, and be ready to defend their country at any time.

#### LAO GUERRILLA ACTIONS AGAINST SRV TROOPS CITED

OW?10754 Beijing XINHUA in English 0726 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Lao guerillas annihilated more than 20 Vietnamese occupation troops in April in Saravane Province, lower Laos, according to Radio Democratic Kampuchea quoting a belated report from Laos.

The report said on April 15 and 16, Lao guerillas attacked Vietnamese troops around Kham Thaeu village of Khong Se Done County, Saravane Province, killing 14 Vietnamese soldiers.

In another operation in Huoi village of Khong Se Done County on April 14, guerillas killed eight Vietnamese soldiers.

THAI PRINCESS LEAVES FOR HOME VIA HONG KONG

OW191536 Beijing XINHUA in English 1536 GMT 19 May 81

[Text] Kunming, 19 May (XINHUA)--Thai Princess Mahachakri Sirinthon left here for home today via Hong Kong.

She was seen off at the airport by Wang Youping, vice minister of foreign affairs, and his wife Shi Hongchao, as well as leading officials of the Yunnan Province and Kunming Municipality.

Thai Ambassador to China Koson Sinthuwanon and Mrs Koson accompanied Princess Mahachakri Sirinthon to Hong Kong.

NPC VICE CHAIRMAN LIAO CHENGZHI MEETS THAI GUESTS

OW200750 Beijing XINHUA in English 0709 GMT 20 May 81

[Text] Beijing, 20 May (XINHUA)--Liao Chengzhi, vice chairman of the National People's Congress Standing Committee, had a cordial talk here this morning with Mr Udan Tejapaibul, president and general manager of the Bangkok Metropolitan Bank of Thailand, president of the Poh Teck Tung Foundation and advisor to the Thailand-China Friendship Association, his wife Mrs Chumlieng Tejapaibul and their party.

Later, Liao Chengzhi had breakfast together with them. The Thai guests arrived here on May 17 at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

WAN LI MEETS MALAYSIAN HEALTH DELEGATION

OW211622 Beijing XINHUA in English 1614 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Vice Premier Wan Li met with a health delegation from Malaysia led by Tan Sri Chong Hon Nyan, minister of health, at the Great Hall of the People here today.

Wan Li said the growth of friendship and cooperation between China and Malaysia would contribute to peace and security in Asia.

Chong Hon Nyan asked the vice premier to convey his best regards to Soong Ching Ling, honorary chairman of the People's Republic of China.

Also present were Chinese Vice Ministers of Public Health Wang Wei and Yang Chun, and Malaysian Ambassador to China A.S. Talalla.

The Malaysian guests will leave here tomorrow for a tour of Shanghai and other Chinese cities. This evening, the Malaysian minister gave a reciprocal banquet.



ACTIVITIES MARKING PRC-PAKISTAN DIPLOMATIC TIES

## Beijing Banquet

OW211703 Beijing XINHUA in English 1639 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Vice Minister of Foreign Affairs Han Nianlong and Pakistan Ambassador to China Mohammed Yunus both expressed the hope this evening to further cooperation between China and Pakistan. The Chinese Ministry of Foreign Affairs marked the 30th anniversary of diplomatic relations with Pakistan with a banquet here.

Vice Premier Bo Yibo was present. He talked to Yunus, Mrs. Naseema Yunus and other Pakistan guests of the friendship between the two countries and people forged in a protracted common struggle. In his speech, Han said "in the past 30 years, the cooperation between our two countries has stood the test of time and storm. The smooth development of friendship between China and Pakistan has been the result of joint efforts," he said. The vice minister said "The Pakistan people may rest assured the Chinese people will stand on their side in the struggle to safeguard national independence and state sovereignty and oppose hegemonist aggression and expansion."

In his speech, Yunus said he appreciated the friendship and unity between China and Pakistan. "The Pakistan Government and people are satisfied with the relations with China. Pakistan looks forward to continuous development of such relations," he said. The ambassador said "Friendship between Pakistan and China helps Pakistan strengthen its resolve against foreign pressure. The people will never compromise and never give up their principles."

Also present were leading members of various government departments, the general staff of the Chinese People's Liberation Army, the Chinese People's Association for Friendship With Foreign Countries, and the Beijing Municipal People's Government.

## Chancellery Inauguration

OW211520 Beijing XINHUA in English 1500 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--The new chancellery of the Pakistan Embassy in Beijing was inaugurated today by Chinese Vice-Premier Ji Pengfei. As he cut the ribbon at the inauguration ceremony, the vice-premier expressed warm congratulations to the Pakistan ambassador, Mohammed Yunus.

Located in the eastern part of Beijing, the new Islamic-style building with a floor space of 11,000 square meters and its surrounding Chinese gardens cover an area of 27,000 square meters.

Ji Pengfei said at the inauguration: "The building not only provides a good place for our Pakistan friends to work, but also adds new lustre to the architectural art of our capital." He also announced the forthcoming visit to Pakistan by Chinese Premier Zhao Ziyang.

Ambassador Yunus said today's ceremony had a special significance in that it coincided with the 30th anniversary of the establishment of diplomatic relations between China and Pakistan and the announcement of Premier Zhao's visit to Pakistan. He said: "The forthcoming historic visit of Chinese Premier Zhao will be another important landmark in the development and consolidation of brotherly cooperation between our two countries."

After the ceremony, Ambassador Yunus escorted Ji Pengfei and other Chinese officials through the new chancellery. Also present at the ceremony were Han Nianlong, vice-foreign minister, Fan Zhoukai, assistant foreign minister and Lu Yu, vice-mayor of Beijing.

Mr. Yunus gave a banquet yesterday in honor of those who had contributed to the new chancellery.



## Agha Shahi Remarks

OW220716 Beijing XINHUA in English 0700 GMT 22 May 81

[Text] Islamabad, 21 May (XINHUA)--"Looking back at the three decades of our relationship with China, one is particularly impressed by its durability and depth," said Pakistan Foreign Minister Agha Shahi tonight at a reception to mark the 30th anniversary of the establishment of diplomatic relations between Pakistan and China. The reception was sponsored by the All Pakistan-China Friendship Association.

Agha Shahi added: "This durability and depth of friendship amidst the continuous process of change is a unique phenomenon in the recent history of international relations." He recalled that the late Chinese Premier Zhou Enlai once described the Pakistan-China equation as "militant friendship." He said, "It is a militant friendship in the sense that the two countries are locked in a relationship which enables them to pursue jointly an active and forthright policy of promoting the cause of peace and stability in our region and in the world and in opposing external aggression, hegemonism and expansionism. But this friendship is not directed against any other country." He continued that the occasion of celebrating thirty years of a most productive and positive relationship between the two countries will soon have a high point in the visit of Chinese Premier Zhao Ziyang.

Chinese Ambassador to Pakistan Xu Yixin said, "The friendly relations and co-operation between China and Pakistan not only conform to the aspirations of our two peoples, but also conduce to the peace and stability in Asia and the world." "This friendly relations and co-operation have stood the test of time and no force can undermine them," he said. "We can predict that through the joint efforts of our two governments and peoples the Sino-Pakistan friendly relations and co-operation which are based on solid foundation are bound to develop further in the years to come," he noted.

Also speaking on the occasion was Mumtaz Ali Alvie, president of the All Pakistan-China Friendship Association. He said that the people of Pakistan wish the Chinese people greater successes in their cause for modernization.

Among over 200 hosts and guests present were Arbab Niaz Mohammad, minister for culture, sports and tourism and Minister of State Mahmud Ali.

## Pakistan Press Comment

OW211355 Beijing XINHUA in English 1321 GMT 21 May 81

[Text] Islamabad, 21 May (XINHUA)--"Over the years China has proved a steadfast friend of Pakistan. China has resolutely stood by Pakistan during its hours of trial and supported it to the end", says an editorial of PAKISTAN TIMES today. "There are few bilateral relationships in the contemporary age to match the warmth and sincerity of Pak-China friendship. Their ties are sure to get closer with the passage of time", it adds. On the occasion of the 30th anniversary of the establishment of diplomatic relations between Pakistan and China, the editorial says, "Pak-China relations have over the past 30 years grown rapidly and today the two countries are engaged in a number of fruitful partnerships in economic and cultural spheres". The editorial says, "The mutual trust between the two countries is reflected no less in the regular exchanges of visits and delegations at various levels. President Ziaul Haq has twice visited China for a fruitful exchange of views with Chinese leaders."

An article in another paper THE MUSLIM for today says: For thirty years, "the conduct of bilateral relations and the continuously developing friendship between Pakistan and China has become a landmark in contemporary history. It is also a factor of stability in international affairs."

The Urdu paper JANG notes in an editorial today: "In the prevailing situation, which is characterised by grave problems arising from a big power's expansionist measures in the region, the close friendly ties between Pakistan and China have acquired special significance."

UK PARLIAMENT SUPPORTS REPLACING POLARIS SYSTEM

OW210846 Beijing XINHUA in English 0800 GMT 21 May 81

[Text] London, 21 May (XINHUA)--A two-day debate on defence in the House of Commons in Britain ended this evening with the Conservative government winning an 81-vote majority in defeating a motion tabled by the opposition Labour Party against the buying of Trident missiles to replace the outdated Polaris. It was also a relief for the government that the storm within the ruling party over reported drastic cuts in defence spending calmed down after the debate.

The debate started yesterday afternoon under the shadow of widespread fears among many Conservative Members of Parliament over the prospects of the country's defence capability as it was rumoured in newspapers here that the government was drawing secret plans possibly to halve the naval strength and to disband the Royal Marines. The sacking of the navy minister on the eve of the debate for speaking out publicly against these plans had added to their unease. Meanwhile two parliamentary private secretaries resigned because of disagreement over some aspects of the government's economic policies. The fact that all this happened within 24 hours was naturally seen as a blow to the government. The government came under a barrage of criticism from both the right and the left in the house as soon as the debate opened. Prime Minister Mrs. Thatcher and Defence Secretary John Nott denied that the defence budget would be cut. They stressed that Britain would continue to honour her NATO commitment of increasing defence spending by three percent in real terms annually. The press reports of massive cuts on defence expenditure were "pure invention", John Nott said. However, they indicated that economic circumstances would be forcing changes and therefore there would be "reallocation of resources" and "reshaping" of the armed forces. They assured the house that the government was only reviewing the defence estimates and options were still being considered. Nothing had been decided yet, they said.

As for possible changes in defence priorities, John Nott said that his ministry was to decide on most crucial parts of the nation's defence for the next 10 years and beyond. Decisions would be made not on the basis of sentiment, "but solely on a judgment of cost effectiveness", he explained, adding that the argument was not solely about numbers but also about quality and effectiveness and how Britain could deploy its limited resources in meeting the Soviet submarine threat. The defence secretary also refuted an opposition amendment calling for cancellation of an independent nuclear deterrent, saying that "if Mr Brezhnev and the Soviet partners read the amendment about nuclear free zones in Europe and closing down bases, I do not know whether he would jump for joy or regard it with the same bemused contempt as I do." He also said in a press interview yesterday that Britain's strategic nuclear deterrent must be maintained at all costs by replacing the Polaris system with Trident since the Soviet Union had created in its military machine a monster over which it could lose control.

During the debate, former Prime Minister James Callaghan twice urged the government to restrain from massive reductions in the Royal Navy's surface fleet, saying that the preservation of the navy's traditional role as the guardian of the trade routes remained vital, both for Britain and her partners in NATO. He also warned the Labour Party against indulging in the rifts on defence policy between its multilateralists and unilateralists. The party was in danger of destroying the influence it should have on defence matters by exposing itself to taunts about its arguments, he point out.

A Conservative back bench rebellion against the government over defence spending did not occur as many had foreseen. Instead, the assurances given by the prime minister and the defence secretary alleviated their worries and pulled the party together in the pursuit of the government's defence policy.

#### AFP REPORTS DETAILS OF KING BAUDOUIN'S COMING VISIT

OW211424 Hong Kong AFP in English 1410 GMT 21 May 81

[Text] Beijing, 21 May (AFP)--King Baudouin of Belgium will hold talks here next week with strongman Deng Xiaoping and Chinese Premier Zhao Ziyang, the Belgian Embassy reported today.

The king will visit China with Queen Fabiola and Foreign Minister Charles-Ferdinand Nothomb on May 25. He will be officially received by Politburo member and vice-president of the National People's Congress (NPC), Mr Peng Zhen.

The embassy said the Belgian foreign minister would hold talks with Chinese Foreign Minister Huang Hua.

It will be the first Belgian royal visit to China--a visit that was twice cancelled, first in 1978 because of a Belgian political crisis, and then in 1980 because the king's health at the time did not allow him to travel. His delegation will be made up of 31 people, and he will also be accompanied by 25 journalists.

He will leave Beijing on May 29 to visit several provincial centres including Xian in central China, Suzhou, Shanghai, and Guilin and Guangzhou in the south before returning home on June 5.

Belgium and China established diplomatic relations in 1971.

#### GREEK FOREIGN MINISTER RECEIVES PRC JOURNALISTS

OW220728 Beijing XINHUA in English 0720 GMT 22 May 81

[Text] Athens, 21 May (XINHUA)--Greek Foreign Minister Konstandinos Mitsotakis told the Chinese journalists' delegation today that Greece is a sincere friend of China and hoped that further efforts be made to increase friendly contacts between the two peoples.

Greece and China, he said, have a long history and culture and their bilateral relations are excellent.

Turning to his coming visit to China, Mitsotakis said that he is glad to see the important role China is playing in the international affairs. He told the delegation that he will have an exchange of views with Chinese leaders on international issues of great significance and matters of common interests. "I will consult and discuss with the Chinese colleagues bilateral cooperation in economic and cultural fields," he added.

Greek Minister of Merchant Marine Fikioris and Under-Secretary to the prime minister in charge of information A. Tsaldaris received and had talks with the delegation today. Tsaldaris gave a lunch in honor of the Chinese guests.

The Chinese journalists' delegation led by Xin Fengqun, editor-in-chief of the WORKERS' DAILY, has come for a visit from May 19 to 31 at the invitation of the Greek Government.



GIEREK ADMITS RESPONSIBILITY FOR POLAND'S PROBLEMS

OW200734 Beijing XINHUA in English 0721 GMT 20 May 81

[Text] Warsaw, 19 May (XINHUA)--Former First Secretary of the Central Committee of the Polish United Workers' Party [PZPR] Edward Gierek yesterday admitted his co-responsibility for the problems of the party and the social and economic development of the country in the 1970's. He was speaking at a meeting of the special commission of the party Central Committee set up last month to investigate into the responsibility of former leaders for Poland's present problems.

Gierek said that he had tried to work for the good of the country, seeking to create new jobs and swiftly modernise its production potential. But due to inadequate government supervision, the country ran into excessive indebtedness, expansion of investments and distribution for many years of a national income higher than that actually produced, he told the commission. This resulted in the extreme imbalanced development of energy, agriculture and other important economic departments.

Gierek also admitted that he was co-responsible for failing to make an adequate analysis of the increasing dangers after the June 1976 events and failing to draw correct conclusions from the root cause of the crisis in the economic, political and personnel fields.

The commission decided to have another session with Gierek after talks with other leaders of the former leadership.

POLISH PREMIER APPEALS FOR BETTER SOCIAL ORDER

OW191657 Beijing XINHUA Domestic Service in Chinese 1202 GMT 16 May 81

[Text] Warsaw, 16 May (XINHUA)--While speaking at a meeting of the Polish State Council held to discuss domestic security issues on 14 May, Polish Premier Jaruzelski appealed to all social circles to take joint steps to insure public order and promote public security work, according to a local news report.

Jaruzelski said that the increasing threat to public security in Poland today is jeopardizing the citizen's personal safety and damaging the national interest and the country's reputation. He stressed that while it is the government's responsibility to safeguard the citizen's personal safety and ensure public security, the help and support of the society is also needed. He said that anarchism is the major enemy of democracy and that the government will firmly oppose anarchism in accordance with the wishes of the society.

PRC, POLAND SIGN GOODS EXCHANGE AGREEMENT

OW181620 Beijing XINHUA in English 1608 GMT 18 May 81

[Text] Warsaw, 18 May (XINHUA)--An agreement of goods exchange and payments in 1981 between China and Poland was signed here today. W. Gwiazda, Polish vice-minister of foreign Trade and Maritime Economy, and Chen Jie, Chinese vice-minister of foreign trade, signed the agreement on behalf of their respective governments.

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PRC INTERNATIONAL AFFAIRS  
EASTERN EUROPE

SONG RENQIONG MEETS ROMANIAN STUDENT DELEGATION

OW211223 Beijing XINHUA in English 1219 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Song Renqiong, member of the Secretariat of the Central Committee of the Communist Party of China, met and had a cordial conversation here today with a delegation from the Union of Communist Students' Associations of Romania led by its President Tudor Mohora.

Wu Shaozu, chairman of the All-China Students' Federation, was present.

HUBEI'S CHEN PIXIAN FETES ROMANIAN PARTY WORKERS

OW212337 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 21 May 81

[Text] According to HUBEI RIBAO, a delegation of party workers from the Romanian Communist Party [RCP], arrived in Wuhan from Yichang by train on the morning of 20 May. The delegation is headed by Comrade Pavel Aron, member of the RCP Central Committee and first secretary of the Arad County RCP Committee in Romania.

Earlier the Romanian comrades toured Yichang Municipality and visited the Gezhouba water conservancy project in Hubei. They arrived in Wuhan in the company of Wang Jie, secretary of the Wuhan Municipal CCP Committee, and Xu Qun, director of the Hubei Provincial foreign affairs office. Wang Jie made a special trip to Yichang to greet the delegation. Present at the railway station to greet the Romanian delegation were Wang Qun, deputy secretary of the Hubei Provincial CCP Committee and first secretary of the Wuhan Municipal CCP Committee; (Shen Jian) and (Li Zhenghe), deputy directors of the Hubei provincial foreign affairs office; and other comrades.

On the evening of 20 May, Comrade Chen Pixian, member of the CCP Central Committee and first secretary of the Hubei Provincial CCP Committee, and his wife Comrade Xie Zhicheng met Comrade Pavel Aron and members of the delegation he leads. Chinese and Romanian party workers happily gathered under one roof and talked glowingly of their friendship. Comrade Chen Pixian spoke highly of the profound friendship between the two parties and the people of the two countries and said that this friendship is founded on Marxism-Leninism and proletarian internationalism. He praised the tremendous achievements of the Romanian people in the past 60 years under the leadership of the RCP.

At the end of the meeting, Chen Pixian hosted a banquet in honor of the Romanian comrades of the delegation. Comrades Chen Pixian and Pavel Aron exchanged toasts at the banquet, wishing the revolutionary friendship between the two parties and the two peoples steady development.

Hubei musicians performed for the visiting Romanian comrades.

SFRY CONVICTS FIVE ALBANIANS OF SUBVERSION

OW210758 Beijing XINHUA in English 0717 GMT 21 May 81

[Text] Belgrade, 20 May (XINHUA)--Five members of an Albanian nationalist and irredentist clique were sentenced today to prison terms ranging from seven to 13.5 years after a three-day trial at the Skopje City court. Evidence disclosed at the trial proved that these Albanian nationalists were guilty of setting up an illegal organization called "the National Labour Party" in August, 1979. In a period of two and a half years, members of the clique carried out counter-revolutionary activities in Tetovo, Gostivar and other places, jeopardizing Yugoslav territorial integrity and constitutional order and undermining the brotherly equality and unity of nations and nationalities. Their final aim was to seek secession of Kosovo and other areas populated by Albanians from Yugoslavia, and then unite these areas with Albania. Materials made public showed that this clique had weapons, fascist emblem, seals and liaison codes.



PRC MILITARY DELEGATION LEAVES FOR EGYPT, SUDAN

OW211229 Beijing XINHUA in English 1220 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--A military goodwill delegation of the People's Republic of China led by Liu Huaqing, deputy chief of the General Staff of the Chinese People's Liberation Army, left here by plane today for visits to Egypt and the Sudan.

HONGQI DISCUSSES SCRAMBLE FOR MIDDLE EAST OIL

HK120323 Beijing HONGQI in Chinese No 8, 16 Apr 81 pp 44-48

[Article by Qian Jinxi [6929 0093 2497]: "Middle East Oil and the Scramble for It"]

I

[Text] At present, the percentage composition of the world's consumption of primary energy resources is: oil, 54 percent; natural gas and coal, approximately 18 percent each; water power, solar energy and geothermal energy, total 7 percent; nuclear energy, 2.8 percent; and synthetic fuels, 0.2 percent. Oil and natural gas together account for over 70 percent. This shows the important place of oil in production and in the daily life in modern society.

However, the distribution of areas in the world that produce oil is very uneven, because aside from the influence of economic and technological factors, it is governed by the natural factors--natural oil deposits. According to the statistics of early 1980, the proven reserves in the Middle East, where the largest oil deposits in the world are located, amount to over 50 billion tons, which represents 57 percent of the world's total reserves, or 5 times the reserves in the USSR, 14 times those in the United States or 16 times those in Western Europe. In 1979, the Middle East produced 1.07 billion tons of crude oil, which amounted to 34 percent of the total world output; 1.8 times the output of the USSR, 2.5 times the output of the United States; or 9 times the output of Western Europe. In 1980, the war between Iran and Iraq broke out, economic recession in the West deteriorated, oil consumption decreased and the oil producing countries cut their production to keep the price up. Because of such reasons, the Middle East oil-producing countries, except Saudi Arabia, Egypt and Syria, cut their output. In particular, Iran and Iraq drastically cut their output. The production of the whole Middle East dropped to 9.939 billion tons. However, it still accounted for 31 percent of the world output. The Middle East continued to occupy first place in world oil production.

To assess the value of an oil producing region, we must not only consider its output and value of its output, but must consider its economic conditions concerning the opening up of oilfields and its prospects.

With regard to the conditions of opening up oilfields in the Middle East, most of the oil deposit layers in the Middle East are near the ground surface. A well of 1,800 meters will produce oil. In the United States, oil wells must often be drilled to a depth of more than 3,000 meters. In the Soviet Union, the oil bearing strata of the Siberian oilfields are often deeper than 2,000 or 3,000 meters.

A high proportion, namely over 95 percent, of the Middle East oil wells are gusher wells. In Saudi Arabia, Iran, Iraq and Kuwait, 100 percent are gushers. However, in the United States, only 7 percent of the oil wells are gushers. Most of the oil wells in the Soviet Union produce oil only if water is injected to force the oil out.

The average output of each oil well in the Middle East is the highest in the world. For example, in Saudi Arabia, the average annual output of each well is 638,000 tons. However, in the United States the figure is only 853 tons. The difference is immense. Thus, the annual output of Saudi Arabia, with only 725 wells, exceeds that of the United States, with 508,800 wells.

The future prospects of the opening up of Middle East oil greatly surpass those of other oil producing regions such as the Soviet Union, the United States and Western Europe. First, the ratio of oil reserves to oil output for the Middle East is as high as 50 to 1, or even higher, exceeding the overall ratio of 28 to 1 for the world, and far exceeding the ratios of 15 to 1 for the Soviet Union and 9 to 1 for the United States. Second, the current new global trend in opening up oilfields is "to go from the land to the sea." In 1979, in the Middle East, approximately 230 million tons of oil was produced in offshore oilfields, accounting for over 40 percent of the world output of oil from the seas. However, the corresponding figure for the United States was only 58 million tons, and for the Soviet Union, merely 10.25 million tons. In the vast inland regions and adjacent seas of Saudi Arabia, the United Arab Emirates, Iran, Iraq, Oman and so on, there are a large number of unexplored oil and gas basins. The potentials are enormous. On the other hand, most of the oil producing regions in the United States, the Soviet Union and Western Europe have been thoroughly prospected and future development is not very promising.

Moreover, in 1979, the oil producing capacity of the Middle East was approximately 1.317 billion tons, amounting to 1.4 times the actual output in 1980. It is possible for the oil producing countries to increase their output by multiples of 10 million tons to over 100 million tons if this is necessary economically.

The points discussed above show that the Middle East occupies a decisive position in global oil production. Therefore, any upheaval in the Middle East will tremendously affect the world economy and politics.

## II

Since oil production began in Iran in 1912, the Western colonialists have controlled oil production in the Middle East. Early in the 20th century, Iran and Iraq were the principal oil producing countries in the Middle East. First the British oil companies, and then secondarily the French ones, assumed ownership of their oilfields. From 1927 onward, American monopolist oil companies began to infiltrate the Middle East. They gained the rights to prospect and open up oilfields in Iraq, Bahrain, Saudi Arabia and Kuwait. However, before the World War II broke out, the United States controlled merely 14 percent of the Middle East oil output, while Britain's share remained 80 percent.

During and after the World War II, by virtue of its strength which expanded during the war, and taking advantage of the decline of Britain, France and so on, the United States quickened its aggrandizement in the Middle East and took over the superiority formerly enjoyed by Britain. In 1952, the United States controlled 63 percent of the Middle East oil output, while Britain's share (including the share of the Netherlands) was reduced to 30 percent. Early in the 1970's, Saudi Arabia, Iran, Kuwait, Iraq, the United Arab Emirates, Qatar, Oman, Syria, Bahrain and Turkey all produced oil. The first 5 in this list were among the world's top 10 oil producing countries. However, eight major foreign transnational oil companies controlled the bulk of oil production in the Middle East. They were Exxon, Standard Oil of Texas, Standard Oil of California, Gulf, Mobil, British Petroleum, Royal Dutch Shell and the French petroleum company. All of them, except the last three, were American companies.

From the time oil production began until 1973, the Middle East had always been the base where the Western countries obtained cheap oil.

For example, early in the 1970's, the cost of producing a ton of crude oil was merely 1/20 of the cost in the United States, but the selling prices of oil from these two different sources were nearly the same. Therefore, frenzied exploration and expansion activities were launched in the Middle East and the crude oil output increased rapidly. In 1964, the Middle East became the world's top oil producing center and the output subsequently grew year after year. The Western transnational oil companies could thus reap staggering profits. For example, in 1972, the cumulative investment of American companies in Middle East oil totaled \$1.8 billion, but the profits in that year amounted to \$2.4 billion. The profit rate was 13 times the domestic rate, or 10 times the average profit rate of overseas investment. From 1963 to 1973, the American transnational oil companies earned a total profit of \$16 billion from the Middle East.

The Soviet Union has also craved the rich oil resources in the Middle East. In 1956, taking advantage of the decline in British and French influence after the Suez Canal incident, the Soviet Union infiltrated the Middle East with "economic aid" and "military aid" as bait. The contention between the Soviet Union and the United States for the Middle East began. In the 1960's and the 1970's, national independence movements surged forward in the Middle East and the contradictions between various Middle East States and the American, British and other Western oil companies generally intensified. The United States got bogged down in the Indochina war, and Britain withdrew its troops from the area east of the Suez Canal in 1971. Taking advantage of this situation, the Soviet Union stepped up its economic, political and military infiltration into the Persian Gulf region and encroached on the Middle East oil.

### III

The principal Middle East oil producing countries of Saudi Arabia, Kuwait, Iran, Iraq, the United Arab Emirates and Qatar are all OPEC members. In the 1970's, the struggle of OPEC to regain and safeguard ownership rights over oil entered a new stage. Various Middle East oil producing countries gained significant victories in matters relating to petroleum tax rates, participation in share ownership, nationalization, determining oil prices and so on. On 1 January 1974, the cost of a barrel of oil was raised from \$3.011 to \$11.651. Thus, the era of cheap oil ended and the era of high oil prices began.

In 1974 and 1975, an economic crisis occurred in the West. Afterward, the recovery was slow. The demand for oil decreased. The oil producing countries in the Middle East and other regions cut their output to keep oil prices up and also adjusted the oil prices to an appropriate extent on their own initiative. At the end of 1978, the standard oil price was \$12.7 per barrel, a mere \$1 higher than in 1974. It was called a "period of recession for oil prices." However, in 1979, oil prices soared rapidly again, and by September 1980, the standard oil price in the Middle East and so on reached \$30 a barrel, and the spot market price was even as high as over \$40. In December, Saudi Arabia raised its oil price to \$32 a barrel, while the other petroleum exporting countries could sell their oil at a maximum of \$36 or \$41 a barrel. Although oil prices have soared rapidly, the Western countries must still import large quantities of oil from the Middle East. This is directly related to the "regional pattern of oil trade" in the world today.

The "regional pattern of trade" in any commodity is directly subject to the relationship between regional production and consumption of that commodity. Oil is no exception. In the Middle East, oil output is for export. The annual volume of export is over 900 million tons, accounting for 60 percent of the total world export of petroleum. Conversely, although the United States is itself a major oil producing country in the world, with an output of 420 million tons in 1979, its consumption amounted to a hefty 870 million tons.



There is a huge deficit in the balance between production and consumption. Part of the deficit is offset by liquefied gas and so on. Aside from this, over 300 million tons of crude are imported annually, 32 percent from the Middle East. Similarly, there is a 600 million ton deficit in the balance between production and consumption of crude in Western Europe, which relies on North Sea oil. Japan, with a negligible output of oil, must also rely on imports because its output falls short of consumption by 250 million tons. Western Europe and Japan obtain 63 percent and 75 percent respectively, of their total oil imports from the Middle East.

The Middle East oil exporting countries have earned huge sums of U.S. dollars through the export of oil. For example, in 1979, the oil revenue of the 6 OPEC member countries mentioned above totaled \$134.5 billion. To develop their national economies, these countries must import large quantities of industrial equipment, commodities and services from the industrial countries in the West. This generates a reverse flow of oil dollars. Between 1974 and 1978 the rate of this reverse flow was as high as 75 percent. Since 1979, this flow has slackened, but it is still inevitable. This helps create a vast market for the manufacturing industries of the countries in the West. To take the United States as an example, in 1979, its trade with the Arab countries amounted to \$33 billion. The Middle East oil producing countries also use their oil dollars to invest in Treasury bills or fixed assets in the United States, or save their oil dollars in American banks. The total sum is \$60 billion. This plays an important role in supporting the international status of the dollar and in reducing the pressure on the international payments of the United States.

Holding huge sums of oil dollars, the Middle East is highly capable of purchasing modern weapons. The United States, France, Italy, Britain and West Germany all sell arms to the Middle East. The United States is the largest seller. Between 1950 and 1978, its arms sales to the Middle East totaled \$40.9 billion, accounting for over half of the total value of its export of weapons. In 1979, the Soviet Union occupied Afghanistan and stepped up its southward offensive. Some Middle East countries which felt threatened have purchased larger quantities of weapons from the United States.

The Western countries, headed by the United States, consider the Middle East an important base of oil supply as well as a vast market for commodities and arms sales. They take gains or losses of Middle East oil resources as a matter of "survival." At the same time, the national economies of various Middle East oil producing countries also rely on the export of oil to earn funds for importing food and industrial products. Some 70 percent of Middle East oil is exported to the United States, Japan and Western Europe. Therefore, the Soviet attempts to control the Middle East and to sever the links between the Middle East oilfields and the markets in the West not only intensify its contention against the Western countries headed by the United States, but also intensify its contradictions with the Middle East oil producing countries.

Considering the regional pattern of oil trade, in 1979 the Soviet Union produced 580 million tons of crude, consumed 420 million tons, and exported around 160 million tons. It has been one of the major oil exporting countries in the world. However, since early in the 1970's, the ratio of the Soviet Union's oil reserves to its oil output has dropped continuously. The ratio was 28 to 1 in 1971, 22 to 1 in 1975, 18 to 1 in 1977 and even as low as 15 to 1 in 1979. Although the oil output increased to 600 million tons in 1980, as in the previous year, it did not reach the set output target. This reflects the inadequacy of the Soviet Union in geological reserves and in technological forces for opening up the reserves. Actually, the boom in oil production in the two major oil producing regions of the Soviet Union, the Volga-Ural oil region and the west Siberian oil region, "has passed" or "is going to pass." The exploration of new oil producing regions and large oilfields has been fruitless. Investment funds for opening up oilfields are insufficient. The technological forces and equipment are in short supply and backward.

The natural environment in the main oil producing regions is poor. The oilfields are far from the principal oil consuming regions [the Euro-Russian industrial regions]. For these and other reasons, the Soviet Union's problems of oil production and supply will continue to be aggravated.

Exporting oil is an important means for the Soviet Union to make up foreign exchange deficits and maintain a stable equilibrium in its balance of payments. The export of oil accounts for approximately 40 percent of the Soviet Union's total foreign trade value, and can make up for 45 percent of the expenditure on commodities imported from the West. Its oil exports to Eastern European Comecon countries (counting for about 40 percent of the total volume of oil exports) also serve to curb their centrifugal tendencies. Therefore, even though the ratio between reserves and output is under strain, the Soviet Union cannot curtail its output of oil. Under these circumstances, the Soviet Union is eager to grab the rich oil and gas resources of the Middle East to solve its own problems.

In view of the dual benefits of strategic advantages and super profits, the Soviet Union has vigorously promoted its arms sales to the Middle East. From the latter part of the 1950's till now, such arms sales have totaled \$22.2 billion. It has become one of the largest suppliers of arms to the Middle East and earned huge sums of "oil dollars."

If the source of Middle East oil is throttled, then grave economic crises will occur in many Western countries. Western Europe and Japan will be particularly hard hit. Therefore, by closing in on the Middle East, the Soviet Union is not only striking at the United States, but is attempting to weaken the allies of the United States. In particular, in 1979 the Soviet Union exported 58.16 million tons of oil to Western Europe, which amounted to 36 percent of its total crude export volume, and thereby earned revenues of \$11.35 billion. In addition to earning these huge sums of foreign exchange, the Soviet Union has intended to use oil as a weapon to influence Western Europe. Nevertheless, Soviet oil accounted for only 9.7 percent of the total quantity of crude imported by Western Europe, and the power of this oil weapon is limited. If the Middle East is under Soviet control, then the Soviet Union can use the Middle East oil to control Western Europe, and the situation will then be very different. The Soviet invasion and occupation of Afghanistan since the end of 1979 has been an important step toward achieving this strategic goal.

#### IV

The Persian Gulf region is the focal point where Middle East oil reserves are located and where oil is produced and exported. The most important Middle East oil producing countries, namely Saudi Arabia, Iran, Iraq, Kuwait, the United Arab Emirates, Oman and Qatar, are situated along the coast of the Gulf. The insular state of Bahrain also possesses oil refineries and oilfields. Therefore, this region is the focal point of the scramble for Middle East oil by the Soviet Union and the United States.

The Persian Gulf region is situated near where Europe, Asia and Africa meet. It is an important center of sea and land communications between East and West. It occupies an important strategic position. For many years, there have been national, religious and border conflicts among various countries in the Persian Gulf region. The eruption of any clash will usually affect the international oil supply and aggravate international tensions.

In the scramble for Persian Gulf oil, the Soviet Union has adopted a very aggressive posture, as markedly reflected in its relations with Iraq. Because Iraq is the third largest producer of oil in the Persian Gulf next to Saudi Arabia and Iran, and is situated at an important strategic position north of the Persian Gulf, since the mid-1960's, the Soviet Union has infiltrated into the prospecting, development and processing of petroleum in Iraq under the disguise of "assisting the construction." For example, the north Rumaila [7627 6701 2139] oilfield is a major one in Iraq (with proven reserves of 1.37 billion tons).



Initially, the Soviet Union "assisted in its construction." In 1972, it began regular production. The reported output in 1979 reached 42 million tons. The Soviet Union has also infiltrated the oil refinery and transport industries of Iraq through "assistance in construction" the Mosul oil refinery, the port of Al-Faw, the pipeline from North Rumaila to Al-Faw, the Baghdad-Basra pipeline and so on. Iraq has become the largest exporter of oil to the Soviet Union. At the end of 1978, it has exported a total of 45 million tons of oil to the Soviet Union.

The plunder by the Soviet Union, through trickery and by force, has harmed the development of Iraq's national economy and spurred Iraq's struggle against plunder. In 1974, Iraq abrogated the agreement signed in 1972 between the two countries, which provided for repaying the debts due to the "assistance in construction" in crude oil, and Iraq stipulated that the Soviet Union must purchase oil in cash at oil prices set by OPEC. Thus, the quantity of oil siphoned off from Iraq by the Soviet Union decreased from 11 million tons in 1973 to 3.88 million tons in 1974. Although the quantity increased later, it has not attained the 1973 figure. Iraq also resisted Soviet infiltration by expanding its trade with the West. It has adopted the policy of "diversification" in connection with technological aid and contracts involving services in opening up oilfields. Between 1976 and 1980, Iran signed agreements with France, Japan, Italy, Brazil, India and Norway, and has allowed them to assist in opening up oilfields and gas fields, building refineries, petrochemical plants and natural gas liquefying plants and so on. The "assistance in construction" offered by the Western countries has surpassed Soviet "assistance."

After relations between the United States and Iran deteriorated in 1979, the trade between the two countries was restricted and Iran experienced difficulties in importing equipment for opening up its gas and oil fields. It signed contracts with Japan, Kuwait and Britain for purchasing parts and components and securing technological aid. The Soviet Union took advantage of the vacuum left by the United States, supplied components and equipment for oil and gas production to the Iranian National Petroleum Company, and started talks on extending the trade in natural gas and on its pricing. However, Iran had always exported oil mainly to Western Europe, Japan and the United States. In 1979 and 1980, when it had decreased or stopped its exports to these three countries, it opened up new markets for its export, such as Yugoslavia, Turkey, India and so on. Thus, the Soviet Union did not succeed in drawing Iran to its side.

In September 1980, when the war between Iran and Iraq broke out, the oil wells, pipelines, oil refineries and ports for exporting oil of both countries were seriously damaged. During the first 3 months of the war, oil production and export nearly came to a halt for both countries. Their combined daily loss of oil revenue amounted to more than \$130 million. As of now, the war has raged for over half a year. In such a disruptive situation, people should pay more attention to the movements of the Soviet Union. Geographically, it neighbors the Middle East. If it takes military action, it will not face serious logistics problems of reinforcement and supply. After occupying Afghanistan, the Soviet forces are only something over 400 kilometers from the oil exporting ports of the Gulf. The Soviet Navy can also use the bases in South Yemen and Ethiopia to cut off the oil transportation route to the Strait of Hormuz. In addition, the Soviet Union has stationed massive forces at the Iranian borders and infiltrated KGB secret agents into Saudi Arabia and so on, waiting for opportunities to create disturbances.

In the strenuous scramble for Middle East oil by the Soviet Union and the United States, the question of the Strait of Hormuz must be viewed with special attention. This is because, aside from a small portion which is sent to the Mediterranean coast for export via the Suez Canal or oil pipelines, most of the Middle East oil (approximately 750 million tons annually) must be sent from the Persian Gulf to the Arabian Sea through the Strait of Hormuz, before it is transported westward to the United States or Europe and eastward to Japan.

This strait is about 150 kilometers long and 48 kilometers wide at its narrowest point. Its depth varies from 71 meters to 219 meters. It is easily mined or blockaded and ships navigating in this strait are easily sunk. Therefore, with turbulence prevailing in the Gulf, the channel for the transportation of oil, the Strait of Hormuz, will inevitably be the most sensitive spot.

With the Soviet Union closing in, the United States strives to safeguard the supply from the oilfields of the Gulf region and the opening of the Strait of Hormuz to navigation. In the past, the United States took Iran as the strategic center in the Gulf region and believed that ensuring the security of Iran was tantamount to maintaining a bulwark to curb Soviet aggrandizement. After diplomatic relations between the United States and Iran were severed in 1979, Iran could no longer play the role of a "bulwark," and its exports to the United States were decreased or even discontinued. The United States then had Saudi Arabia become the strategic center in the Gulf region. Saudi Arabia is reported to have purchased weapons valued at over \$25 billion, and American technical personnel are reported to be assisting in the training of Saudi Arabia's armed forces. In 1979, Saudi Arabia increased its export of crude oil to the United States to 67.20 million tons, amounting to approximately 20 percent of the total crude oil imports of the United States. The United States has also established military bases in British Diego Garcia, which lies south of the Persian Gulf, and has reached agreements with Oman, Kenya and Somalia over the right to use certain military equipment and bases. The American Navy is also patrolling the Indian Ocean to reinforce resistance to Soviet military power in this region.

The scramble of the Soviet Union and the United States for Middle East oil is closely related to the respective global strategies of the two superpowers. The scramble is in an important position to affect the overall situation. It has become a major "hot issue" in the current international situation. People throughout the world are paying close attention to the developments and changes in the situation of this region. People believe that the people of the Middle East, who are becoming increasingly awakened, and who want to safeguard their national independence and develop their national economies, will certainly strengthen their unity, intensify their struggles against hegemonism, resist the intervention of foreign influences, free themselves from the plunder and control of foreign forces, and make their own contribution to the peace and security of the whole world.

#### FURTHER REPORTAGE ON VISIT OF RWANDAN DELEGATION

##### Li Xiannian Meeting

OW211714 Beijing XINHUA in English 1633 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Li Xiannian, vice-chairman of the Central Committee of the Chinese Communist Party, met here today with a delegation of the Rwandan National Revolutionary Movement for Development, led by its general secretary, Bonaventure Habimana. The meeting was in the Great Hall of the People.

Li Xiannian said: "Friendly relations exist between the two parties, the two countries, and the two peoples of China and Rwanda. We share identical views on a number of international issues. In future, we should strengthen our friendly contacts, exchange experiences and learn from each other," he said.

Talking about the Chinese Communist Party's experience in socialist revolution and socialist construction, Li Xiannian said: "Our view is that we have made great achievements and also some errors in the past 30 years and more. But these errors are secondary. Our main error was to act with haste. Now, we are summing up that experience."

Li Xiannian asked Mr Habimana to convey the Chinese leaders' greetings to Rwandan President Habyarimana.

During the meeting, Mr Habimana expressed his satisfaction with the Rwandan delegation's visit to China. He said: "Our talks with the Chinese leaders have proceeded in a cordial and friendly atmosphere. They gave us an account of China's present situation, and we have a better understanding of China." He said he hoped the two parties would further strengthen contacts and exchange experiences.

Also present were Wu Xueqian, deputy head of the International Liaison Department of the Central Committee of the Chinese Communist Party, and Sylvestre Kamali, Rwandan ambassador to China.

#### Banquet Speeches

OW211843 Beijing XINHUA in English 1831 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Bonaventure Habimana, general secretary of the Rwandan National Revolutionary Movement for Development, today expressed his belief that the present road China is taking for building a powerful country is correct and that a powerful China would be very beneficial to the Third World countries.

He was speaking at his return banquet given at the Rwandan Embassy here this evening. He expressed thanks to the Chinese Communist Party for inviting his delegation to visit China. He said that he and all others of his delegation shared a profound sentiment for China.

Ji Pengfei, vice-premier and head of the International Liaison Department of the CCP Central Committee, attended the banquet. In a toast, Ji Pengfei praised the Rwandan delegation which has helped to promote the existing friendship and mutual trust between China and Rwanda. In particular, he continued, General Secretary Bonaventure Habimana's visit to China at the head of the delegation marks a good start for direct contact between the two parties.

Ji said, "You have attached great importance to the friendship between the two parties and peoples of China and Rwanda. You have praised the support given by the Chinese people to the people of Rwanda, and Africa as a whole, as well as to the just struggle of the oppressed nations in the world. We are grateful to you for your trust on the Chinese Communist Party."

He said, "We are always of the opinion that any support and help between us is mutual. The successes of your party and your country in national construction is also ours, and is also a support to our country politically and morally."

Present at the occasion were Wu Xueqian, deputy head of the International Liaison Department of the Central Committee of the Communist Party of China, and Lu Xuejian, vice minister of economic relations with foreign countries.

The delegation of Rwanda is scheduled to leave Beijing for Korea tomorrow.



I. 22 May 81

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PRC NATIONAL AFFAIRS

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NO CHANGE REPORTED IN SOONG CHING LING'S CONDITION

OW211204 Beijing XINHUA in English 1200 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--The condition of Soong Ching Ling, honorary chairman of the People's Republic of China, was no worse today, according to an official bulletin on her health from the Central Committee of the Chinese Communist Party, the Standing Committee of the National People's Congress and the State Council. This was the sixth announcement on her condition since she suffered from chronic lymphatic leukemia.

Ye Jianying's Messages

OW211333 Beijing XINHUA in English 1325 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Ye Jianying, chairman of the National People's Congress Standing Committee, and Chen Yun, vice-chairman of the Chinese Communist Party Central Committee, have expressed deep concern in separate messages over the health of Soong Ching Ling, honorary chairman of the People's Republic of China. She became seriously ill last week with leukemia.

In daily telephone calls from another city to Soong Ching Ling's office, Ye Jianying has expressed solicitude for her condition and extended his best regards. He asked medical personnel to give her the best possible treatment and care.

Chen Yun, recently returned from a tour of China, today extended his best regards to Soong Ching Ling by telephone. Chen Yun had earlier visited Soong Ching Ling at her residence.

Children's Art Group's Message

OW211718 Beijing XINHUA in English 1644 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--The honorary chairman of the People's Republic of China Soong Ching Ling received a letter yesterday from the children's art theatre of the China Welfare Institute which she founded in Shanghai. The message expressed deep concern for her health. Soong Ching Ling has been seriously ill for one week.

With over 130 signatures, the message said "Many of us were children you saved from an abyss of suffering before liberation. Our growth and happiness, and that of our younger generation, are inseparable from your help and so is the development and prosperity of children's drama. Hundreds of millions of children, your grandchildren are affected by the news of your serious illness."

The message from Shanghai wished Soong Ching Ling an early recovery for the sake of the children. The message also extended congratulations and best wishes to her for being accepted as a member of the Communist Party.

NPC STANDING COMMITTEE TO MAKE INSPECTION TOURS

OW211857 Beijing XINHUA Domestic Service in Chinese 1238 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Since early May, the NPC Standing Committee has organized its members to inspect work in all places. In accordance with NPC Standing Committee Chairman Ye Jianying's opinion on organizing NPC Standing Committee members to inspect work in all places in the near future, the NPC Standing Committee General Office on 23 April issued a circular to the standing committees of the provinces, autonomous regions and municipal people's congresses and all NPC Standing Committee members.



The circular requests that inspection tours be made between early May and early June and that inspection be focused on the current work in the national economy. In urban areas, inspection may be focused on industrial readjustment and the consolidation and reorganization of existing enterprises. In rural areas, inspection may be focused on the implementation of rural economic policies and the improvements in all kinds of production responsibility systems. NPC Standing Committee members may inspect areas inhabited by minority nationalities or choose items to inspect. It is necessary to inspect the good as well as the poor and the medium ones so as to acquire a comprehensive understanding of the situation, discover the problems and offer suggestions. After the inspection, members may report their findings to the NPC Standing Committee in brief written statements. They will inspect the provinces, autonomous regions or municipality in which they reside. Standing Committee members in Beijing may inspect Beijing or other places.

The circular urges all NPC Standing Committee members to display the fine tradition and work style of hard struggle and plain living in the course of their inspection tours. The localities should not organize the masses to welcome the inspecting committee members, nor should they host banquets, offer gifts and sponsor special cultural evenings for this purpose. During the inspection tours, committee members should try to take the minimum number of accompanying and other working personnel.

#### HU YAOBANG SPEECH AT FINAL CAS COUNCIL SESSION

OW220342 Beijing XINHUA Domestic Service in Chinese 1617 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--At a meeting with the members of the fourth session of the Scientific Council of the Chinese Academy of Sciences [CAS] on 20 May, Hu Yaobang, general secretary of the CCP Central Committee, expressed hope that China's scientists would do practical research to serve the four modernizations as well as to pioneer new research projects in science and technology. He also hoped the scientists would work hard in the spirit of being masters of the country and valiantly assume the historical mission of developing modern scientific theories and new technology to a new high. On the morning of 20 May, the Secretariat of the CCP Central Committee invited more than 300 scientists of the Scientific Council of the academy to a symposium held in Zhongnanhai. The Secretariat warmly greeted the success of the CAS session.

Laughter and joyful conversation were heard from the woods of Zhongnanhai. After a visit to the late Comrade Mao Zedong's residence, members of the Scientific Council entered Huairan Hall for the symposium. Amid warm applause Hu Yaobang introduced to the scientists members of the Secretariat of the party Central Committee: Wan Li, Fang Yi, Gu Mu, Song Renqiong, Yao Yilin and Peng Chong.

Comrade Hu Yaobang spoke first at the meeting. He said: With the election of the presidium, the president and vice president of the CAS, the nation's most outstanding scientists have been organized to form a new and more powerful leading organization. This is a major even in China's scientific annals and a joyous occasion for the Chinese people, who are advancing toward the four modernizations. This means a new and bright cluster of stars has arisen to light the way of China's scientific development and guide the contingent of scientists to break through brambles and thorns and march toward the summit of modern science confidently. Therefore, the CAS session deserves our congratulations.

Lively discussions were held at the symposium. Comrade Hu Yaobang spoke about the situation throughout the country and talked about the bright expectations of the party Central Committee for the scientists. He said: During my recent tour of Zhejiang and Shandong Provinces, I could see that the situation in the rural areas is good. The peasants showed high enthusiasm for production. Village fair trade was the liveliest in several decades, and a better harvest of wheat and other summer crops was expected.

At this point, Comrade Wan Li interrupted, saying: Recently I traveled 12,000 li from the north to the south. I wish to say a few words to the scientists on behalf of the peasants. The 800 million peasants are urgently in need of science, and they wish to invite scientists to the rural areas. The scientists and intellectuals in our country were never before so warmly welcomed by the peasants. It is a glorious and unshirkable duty of the scientists to bring science to the rural areas, Wan Li stressed.

Comrade Hu Yaobang continued: The responsibility system for agricultural production has been basically resolved. The next step is to rely on science to develop agricultural production. This is indeed a major turning point. Generally speaking, the nation's economic situation is relatively better off this year, and the country is more stable and united. Since the launching of activities to promote the "five stresses and four beauties" and to promote learning from Lei Feng and doing good deeds among the people throughout the country, the social atmosphere has greatly changed. We must continue to adhere to the four basic principles, carry forward healthy practices and improve social values, Hu Yaobang stressed.

Comrade Hu Yaobang said: The situation in the country is very good, despite numerous problems. The historical period of "setting things in order" has not yet come to an end, and such work should be done continuously. There is still a tough road ahead. Like climbing Tai mountain, we have reached Zhongtianmen, and we now can see farther. However, there are still three "Shibapan" [0577 0360 4149] that are difficult to hike before we reach Nantianmen. Our socialist construction is now advancing toward "Shibapan," and we can surely reach Nantianmen after trying for some time. When we reach Nantianmen we will have passed the most difficult course in the four modernizations. Then we can enjoy the same feeling of the great poet Du Fu of the Tang Dynasty: "When we reach the peak, all other mountains look small." That means no problems can pose difficulties for us. I believe that with our firm determination the Chinese nation can surely overcome difficulties and ascend the peak.

Warm applause broke out at the symposium. Comrade Hu Yaobang added: Marx, Engels and Lenin have time and again stressed the importance of science and technology. The current issue is how to make the people understand this importance and how to transform science and technology into a productive force.

He said: Our scientists have made great efforts and tremendous contributions in reviving and promoting science. For this, he extended profound thanks on behalf of the party Central Committee. At the same time, he put forward two goals: First, thoroughly examine production practices to find needs to meet. Second, work like a master.

Comrade Hu Yaobang said: The practice and development of science have been connected with mankind's work since the beginning. Science and technology should be used in current production tasks. There are numerous areas of industrial and agricultural production. Although they do not belong entirely to science, they at least hold very important tasks for science.

He hoped that scientists would thoroughly examine work in the four modernizations to find tasks, and that they would also thoroughly examine new science and technology to find tasks. He hoped that they would study the new phenomena emerging in nature and new trends and developments in modern science and technology, thereby advancing theories of modern science and new technology.

Comrade Hu Yaobang said: In our country every person is a master. Everyone should find work for himself, compete with others, give ideas and put forward proposals enthusiastically, and dare to criticize unhealthy phenomena, adhere to the four basic principles, and struggle against evil practices.

He said that there was a couplet with an extremely depressing sentiment: "To live without uttering a word amid the sounds of wind and rain and be not concerned with affairs, even if they are state affairs or affairs of major importance, will give you peace."

He said: "In my opinion, it should be corrected to read 'To moan amid the sounds of wind and thunder is to waste this life; instead, one should contend to become a brave fighter in dangerous affairs, difficult affairs and the affairs of the world.' To the person who 'moaned,' I said that he 'wasted his whole life' and I meant to criticize him. In building the four modernizations, how could we avoid difficulties? We might even encounter dangerous things. That will depend on what attitude you take. I say, to 'contend to become a brave fighter' and to make some contributions to the reconstruction of China and the realization of the motherland's four modernizations, we should not fear this or that." he hoped that everyone would be brave and advance courageously despite hardships and difficulty. At this moment, warm applause burst out from the entire audience.

Comrade Song Renqiong spoke at the symposium, stressing that scientific education work should begin with the education of children to enable the children to have ideals, ambition and knowledge, and that doing a good job in children's education and primary school education is the foundation for the development of our scientific cause.

Comrade Yao Yilin expressed in his speech his opinion that the economic planning departments should cooperate closely with scientific circles to build future economic work on a more scientific foundation.

Professor Yan Jici, newly elected executive chairman of the presidium on the Chinese Academy of Sciences, also spoke at the symposium.

RENMIN RIBAO: MEETINGS PROMOTE ORGANIZATIONAL LIFE

HK141439 Beijing RENMIN RIBAO in Chinese 5 May 81 pp 1, 4

[Report: "Party Life Meetings Held by Leading Cadres at Provincial, Municipal and Regional Levels and of Central Organs To Strengthen Organizational Life"--capitalized passages published in boldface]

[Text] By early April, in the light of the stipulation in the principles regarding the party's internal political life concerning the requirement that leadership cadres lead a dual organizational life, party life meetings had been held by standing committees of the party committees of 21 provinces, municipalities and autonomous regions and the party groups of 86 organs directly subordinate to the party Central Committee, state organs, ministries, commissions and general administrations in the course of studying and implementing the spirit of the central work conference. (Some units have postponed their meetings for some reason.) The leadership comrades of all the units have attached great importance to their party life meetings. After the meetings, a great majority of the units have sent special reports or minutes of the party life meetings to the central authorities or the Organization Department of the CCP Central Committee. The Central Discipline inspection commission, the Organization Department of the CCP Central Committee, the party committee of organs directly subordinate to the party Central Committee and the provisional party committee of the state organs also sent people to attend the party life meetings of some units as observers.

Attended by high-ranking cadres of the units, these party life meetings were mainly designed to combine the study of the spirit of the central work conference with a review of the implementation of the line, principles and policies adopted since the 3d Plenary Session of the 11th CCP Central Committee and the implementation of the "guiding principles for inner-party political life." The participants conscientiously discussed some important issues since the third plenary session of the CCP Central Committee, fully affirmed the achievements and progress made in their work, examined the shortcomings and mistakes in accordance with the principles of unity-criticism-self-criticism-unity, and worked out remedial measures. The universal feeling was that the party life meetings were held in a very agreeable atmosphere. The participants set strict demands on themselves, earnestly made self-criticisms and avoided the attitude of just getting by.



Comrades who have made mistakes were patiently helped and were not forced to make self-criticisms, nor were their mistakes exaggerated or associated with their superiors and subordinates. The primary concern was to realistically differentiate between right and wrong on cardinal issues, draw lessons from past experiences and be prepared to do a good job in the future. The party life meetings have enabled the participants to better understand the line, principles and policies adopted since the third plenary session of the CCP Central Committee, enhance their consciousness in implementing them, boost their revolutionary spirit, strengthen inner-party unity and uphold strict organizational discipline. They will certainly play a very good role in further improving and strengthening party leadership, continuing to correct past mistakes, restoring and carrying forward the party's fine traditions, enhancing the party's combat ability and promoting all relevant tasks.

At the party life meetings, the various units paid relatively great attention to proceeding from the practical situations and concentrated their efforts on solving the major problems of their respective units. On the whole, they obtained fairly good results in the following three aspects:

1. THEY HAVE EARNESTLY ELIMINATED THE "LEFTIST" INFLUENCE IN THE GUIDING THOUGHT, CAREFULLY EXAMINED OTHER ERRONEOUS IDEAS AND ACHIEVED UNANIMITY IN THEIR UNDERSTANDING OF THE PARTY'S LINE, PRINCIPLES AND POLICIES. The participants in the various units reviewed their work over the past 2 years or so and have further understood that the line, principles and policies adopted by our party since the 3d Plenary Session of the 11th CCP Central Committee are correct. On the whole, the participants also adopted an attitude of actively upholding and resolutely implementing the line, principles and policies. This constituted the main trend. At the same time, many comrades have also realized that they are amid a great historical transition period and that their thinking has for a short while failed to catch up with the current situation. Moreover, since the "leftist" influence in the guiding thought has not been eliminated, some incorrect things have also emerged in our work in the past. These things have impeded the implementation of the party's line, principles and policies and have caused some losses to our work which could have been avoided. Some comrades made self-criticisms regarding their failure to seriously study China's national conditions, their frequent rash attempts to seek big and rapid results and their inadequate understanding and ineffective implementation of the party's economic readjustment principles. Some comrades made self-criticisms regarding their inadequate study of the party's rural economic policies and their lack of boldness and enthusiasm in implementing them. Others made self-criticisms regarding their delay in discussing and understanding that practice is the sole criterion for testing truth because of the influence of the two "whatevers," and their slow actions in reversing the incorrect verdicts in unjust, fabricated and incorrect cases and in implementing the policies on cadres.

Some other comrades also made self-criticisms regarding their failure in justly and forcefully refuting certain statements which violated the four basic principles and their weakness in grasping ideological and political work. The participants have profoundly understood that to realize the target of struggle for the new period unanimously adopted by the whole party, it is necessary to continue eliminating the influence of the erroneous "leftist" thinking and, under the centralized and unified leadership of the CCP Central Committee, strengthen the publicity and education in upholding the four basic principles. At the same time, we must not ignore correcting the rightist and other erroneous ideas. Only in this way is it possible to really achieve working with one heart and one mind and to unswervingly implement the party's line, principles and policies. A small number of comrades who had made mistakes pledged: We will seriously learn the lessons, work hard to avoid any repetition of the past mistakes amid the new situation, further enhance our revolutionary spirit and conscientiously fulfill the duties entrusted to us by the party and the people.



2. THEY HAVE REVIEWED THE IMPLEMENTATION OF THE SYSTEM OF DEMOCRATIC CENTRALISM, CLEARED UP MISUNDERSTANDINGS AMONG SOME COMRADES AND STRENGTHENED UNITY AT THE CORE OF THE LEADERSHIP. Judging from the situations reported at the party life meetings of the various units, since the 3d Plenary Session of the 11th CCP Central Committee and with the implementation of the "guiding principles for inner-party political life," democratic centralism and collective leadership have gradually been strengthened at the core of the leadership of a great majority of the units, and unity within each unit has been good or comparatively good. However, there are still a small number of units which are not so united, and there are factors of disunity in some units. In some units, some misunderstandings left over from the past have not yet been completely cleared up. In some units, there are insufficient exchanges of views regarding differences in opinions in their work, with few heart-to-heart talks taking place. In some units, there are still remnants of factional spirit and relations among the comrades are not normal enough, while in other units, the system of inner-party life has not been put on a sound basis, and there are misunderstandings among the principal leadership comrades who do not display a democratic work style. During the party life meetings, the participants adopted the party's line, principles and policies as their guiding thought and assumed a clear-cut attitude on significant questions of principle. As for the misunderstandings left over from the past, the participants have persisted in looking ahead and have not allowed themselves to be swayed by personal feelings. As for differences in opinions in their work, they have proceeded from taking the interests of the whole into consideration, and sought common accord on major issues while reserving minor differences. They have reached an understanding regarding the misunderstandings among them while making more self-criticisms regarding their own shortcomings and mistakes. Some comrades also integrated their calm exchange of views at the meetings with sincere heart-to-heart talks outside the meetings. In this way, they have solved to varying degrees certain problems of disunity and promoted and strengthened unity on the basis of the principles of Marxism-Leninism-Mao Zedong Thought. Aiming to solve the problem of inadequate implementation of democratic centralism and collective leadership, some units also discussed and formulated some specific measures, ensuring political, ideological and organizational unity within the leadership groups. The participants held: At present, the whole party is implementing the significant principles of achieving further economic readjustment and realizing further political stability. Hence it is particularly necessary to strengthen party unity. The party's high-ranking cadres must take the lead in stressing party spirit, principles, friendship, unity and discipline. They must trust, help, understand and support each other and act as models in promoting stability and unity.

3. THEY HAVE CONSCIOUSLY EXAMINED PROBLEMS IN THEIR THINKING, WORK AND CONDUCT AND FURTHER IMPROVED THEIR LEADERSHIP STYLES. Over the past year or so, a great majority of the comrades were able to seriously implement the guiding principles for inner-party political life and the stipulations of the central authorities regarding the living conditions of high-ranking cadres. They have made great improvements in their ideology and work styles and have also paid relatively great attention to their living conditions. At the party life meetings, the participants affirmed this progress and commended those comrades who are devoted to their duties, work diligently, go deep down among the masses and the actual situations, display a down-to-earth work style and struggle hard. At the same time, they also made criticisms and self-criticisms regarding bureaucratism, subjectivism, individualism, the unhealthy ideas and work styles such as making use of one's functions and powers to seek special privileges, as well as the problems of inadequate seriousness and effectiveness in the investigation and handling of certain incidents of the violation of discipline. The participants unanimously held: In restoring and carrying forward the party's excellent traditions and work styles, the party's high-ranking cadres must set themselves up as examples. We must uphold the principle of "setting oneself up as the model for others to follow," genuinely welcome the supervision by the masses both inside and outside the party and make immediate corrections whenever there is a mistake.

As for some individuals who refuse to listen to notifications and deliberately violate the guiding principles of inner-party political life, we must seriously discipline them, no matter who they are. We should not simply remark all the time, "This should not be repeated." Many comrades said: We the veteran cadres who have struggled for decades for the party's cause should particularly maintain our revolutionary integrity in our later years, enhance our revolutionary vigor, share weal and woe with the people, resolutely resist and criticize the unhealthy tendencies in the party, and fulfill the duties of veteran party members in correcting the party work style and further promoting the image of the party.

During the party life meetings, there were indeed some units which were not serious enough in conducting their meetings and thereby scored relatively poor results. Although some units did put forth the problems, they failed to further solve them or did not do a very good job in solving the problems, while other units failed to make adequate criticisms. These are the areas which we should pay attention to and make improvements in the future.

The question of party work style is a significant question concerning the life and death of the party and state. The comrades attending the party life meetings held: Leading an earnest inner-party life in this manner is very necessary and very beneficial. Since the 3d Plenary Session of the 11th CCP Central Committee, the central authorities have put forth many times that it is necessary to rigorously enforce the life of party organizations in order to correct party work style and enforce party discipline. Judging from the practice of all the units, they have indeed made substantial progress every year. However, we must never underestimate the influence of the fact that our party organizations were sabotaged over a long period of time. We must make further efforts to restore from top to bottom the life of our party organizations to what it was during the Yanan period and the initial period after liberation and truly achieve the vivid political situation in which there are both centralism and democracy, both discipline and freedom, and both unified will and individual ease of mind. All the units have decided that in the future, it is necessary to resolutely implement the stipulations of the CCP Central Committee regarding high-ranking cadres participating in dual organizational life and to hold a party life meeting of leadership cadres every 6 months. Some units have also decided to adopt effective measures, urge the leadership cadres in the subordinate party and government organizations to hold party life meetings at fixed intervals, adopt a positive and conscientious attitude in organizational life, correctly resolve the contradictions within the party and further improve party work style.

#### RENMIN RIBAO COMMENTATOR ON DOING SOLID WORK

HK151504 Beijing RENMIN RIBAO in Chinese 10 May 81 p 1

[Commentator's article: "Do Solid Work"]

[Text] Doing solid work is easy to say, but not easy to accomplish. In the past years, some of our leading organs have cultivated the bad habit of "leadership by principle." Some leading cadres often satisfy themselves with general appeals to the people and are accustomed to talking about general and abstract principles when they should be solving actual problems. This work style has seriously affected the implementation of the party's principles and policies and greatly impeded the development of various undertakings.

The present situation is good. However, there are also quite a few problems, such as historical problems left over from the 10 years of disasters or an earlier period, problems accumulated in the 2 years following the downfall of the "gang of four" as well as new problems which have cropped up in recent years. They all urgently await solution. Leading organs at all levels must be determined to change the practice of "leadership by principle" which makes no attempt to solve problems and must do solid work to solve the actual problems one by one.

They should find out about all the problems that exist in their localities and departments, arrange them in order of urgency and tackle them firmly and persistently no matter what until all problems are completely solved. This method may be called "making out a list." It is a good method because it not only enables the cadres and masses to know what is what but makes it easier for them to check on and summarize things and for the masses to exercise supervision. No matter how problems have piled up, we can solve them one by one if we persist in doing solid work. One problem solved means one problem less, 10 problems solved means 10 problems less and a thousand problems solved means a thousand problems less. With this kind of persistence, we can solve any number of problems. We are now promoting the spirit of doing solid work and encouraging people to be solid workers, aren't we? Well, this is what we mean by the spirit of doing solid work and by solid workers. Through investigation and study, the Shazhou County party committee in Jiangsu Province has made out a list of 20 items concerning the people's livelihood, including food, clothing, housing, recreation and marriage problems, and instructed departments concerned to solve them one by one. This party committee has won the wide acclaim of the masses because it has solved a great number of problems in this way. The Fujian Provincial party committee has also made out a list of 12 tasks to be accomplished in the coming 3 years for the good of women and children. This includes plans to build maternity and child care centers, garment factories and recreational grounds. These are good methods which deserve to be promoted.

In order to solve problems one by one, it is important for us to do a good job of investigation and study. Only by going deep among the masses to conduct investigation and study into the realities of life can we discover problems, understand the specific conditions and work out the solutions. After making out the list, it is still necessary to organize implementation and clearly define the responsibilities. An important reason why many problems have remained unsolved for a long time is that people tend to shift responsibility onto others when their duties are not clearly defined. Therefore, when we list the problems, we must also clearly define the responsibilities, assign tasks to specific units and persons and give them the necessary power so that they can effectively handle and solve problems.

Supervision and checking are also important links in the effective solution of problems. In order to truly solve problems, it is not enough just to make out a list. We have to act on it, constantly exercise supervision, check on the progress, find out what are the difficulties and obstacles and promptly work out methods and measures. In this way, we can solve problems more swiftly and in a better way.

Doing solid work and solving problems one by one are necessary for the four modernizations and in accord with the wishes of the people. Recently, departments under the State Council have sent more than 400 teams to the grassroots units to help them do a better job of economic readjustment and of production and construction. Some provinces and municipalities have also organized cadres of various departments to go down and work in grassroots units in order to help solve the problems there. These are commendable practices. It is hoped that more leading organs and cadres would follow this example of doing solid work.

#### BEIJING WANBAO ON CAO CAO'S RECOGNITION OF ERRORS

HK210727 Beijing WANBAO in Chinese 7 May 81 p 3

["Words of a Hundred Schools Column" article by Li Ping [2980 1627]: "The Frankness of Cao Cao"]

[Text] In his campaign against Yuan Shao, as a result of the suggestions made by minister Xun Yu, Cao Cao quickly corrected the mistakes he had made in commanding and thereby successfully destroyed Yuan Shao and pacified the northern part of the country. In the 12th year of Jianan (207 AD) Cao Cao's "petition for the Conferring of Honors on Xun Yu" was very frank and extremely fair in recounting the merits of Xun Yu to the emperor. The whole petition was filled with the spirit of self-depreciation.



Cao Cao employed the method of using contrasts to explain that his advocations were wrong and that Xun Yu's views were correct. The tenor of his words was: In the battle of Guangdu, because of the shortage of men and grain, I planned to withdraw to Xuechang. Xun Yu profoundly explained the advantage of holding on. With great foresight, he outlined a strategy for attacking the enemy which inspired me to change my former foolish way of thinking. We firmly held our positions, sent troops to cut off Yuan Shao's grain supply, defeated the powerful enemy and averted a disaster. After defeating Yuan Shao, we had almost used up all our army supplies. I thought of giving up the plan of advancing into Hebei and adopting the tactics of attacking Liu Biao in the south instead. Xun Yu again carefully explained to me the pros and cons and convinced me to change my plans once again. I ordered the army north and eventually succeeded in pacifying the prefectures of Jizhou, Zingzhou, Bingzhou and Youzhou. Had we retreated from Fuandu, Yuan Shao would certainly have attacked us. With the advantage on their side, the morale of the enemy would have been high whereas our army in retreat would have been demoralized and we would certainly have been defeated. If we had attacked Liu Biao in the south, given up Yanzhou and Yuzhou and sent our starving army deep into enemy territory, we could not have gained any advantages but might even have lost our base areas. The two correct policies suggested by Xun Yu, "his ability to see preservation in destruction and blessing in misfortunes and his unique strategem and extraordinary merit are something I am not equal to."

When making important policy decisions in war, many commanders in history were able to draw on collective wisdom, absorb all useful ideas and views and modestly listen to the correct views of their subordinates. The rare and commendable thing is: It is not easy for a commander to conscientiously sum up the lessons of an experience, openly examine his own shortcomings and mistakes and admit that he is not as good as his subordinates after the victory has been won. Cao Cao held that as he was charged with the important tasks of the army and state, he was constantly afraid of making mistakes, and if he did not properly listen to suggestions, would he not have been making the mistake of not sufficiently soliciting the views of others? For the sake of encouraging the free airing of views, he issued a "request for views" in the 11th year of Jianan calling on the officers to stop their bad habit of agreeing to everything in his presence. He encouraged his subordinates to reflect their views to him and stipulated that everyone must send him a personal report every month on the merits and shortcomings of the things they saw. Precisely because of this excellent quality, Cao Cao was able to gather more people of ability and talent under his patronage as well as win many famous warriors and advisers in the enemy's camp over to his side. It could be seen that in the scramble for supremacy between heroes, the fact that Cao Cao was able to grow more quickly in strength and become powerful was definitely not due to chance.

#### RENMIN RIBAO ON NEW SHANGHAI BONUS SYSTEM

HK200254 Beijing RENMIN RIBAO in Chinese 15 May 81 p 1

[Commentator's article: "A Good Method To Improve the Bonus System"]

[Text] An intriguing question cropped up recently in the course of implementing the principle of material benefits. The implementation of this principle has been very efficient in the rural areas. It has vigorously motivated the peasants' productivity and brought about satisfactory agricultural production. Regarding the industrial and communications enterprises, the system of distributing bonuses has also scored achievements, though not as remarkable as those in the rural areas. Many bonuses were distributed last year. However, some units and areas have not brought the role of bonuses into full play or achieved good economic results. What is the reason for this? One of the reasons is that political and ideological work has been slackened, but the major factor accounting for this is that egalitarianism has been practiced in the course of distributing bonuses.



Undoubtedly, we must strengthen political and ideological work. This paper has already carried a number of commentaries on this and is not going to repeat them here. Another factor is that we must also correct the practice of egalitarianism in distributing bonuses. The bonus system is meant to reflect the principle of remuneration according to labor. However, it becomes meaningless with the introduction of egalitarianism. It is necessary to use a good method to correct egalitarianism, or else contradictions will be created among the workers. This has been a great problem to leaders of many factories, and it was because of this that they resorted to the old practice of egalitarianism in distributing bonuses. All workers were given the same or similar bonuses, be they good or bad, productive or not. Thus, "leftist" ideology of negating the bonus system gained ground among some comrades under such circumstances. How to make use of the bonus system, making it conducive on the one hand to enhancing the workers' productivity, and on the other hand, conducive to maintaining unity among the workers, is really a problem that we must solve.

The reason the rural areas do not have this problem is that they have been practicing the production responsibility system of calculating salaries in accordance with production. Under this system, the labor of the peasants is closely linked with economic rewards. Since this system is so efficient in the rural areas, is it possible for us to make use of its fundamental spirit in the factories, mines and enterprises? This question is worth our consideration. The experience of the Shanghai textile industry and the Chengdu bearing plant has now proved that this practice is correct.

The advantage of the bonus system practiced by the Shanghai textile industry and the Chengdu bearing plant was that the workers' wages and bonuses were linked with the system of personal responsibility and economic results. Thus, the workers have shown more concern for the results of their work in terms of material rewards. Since all workers had their own production quotas and personal responsibilities, there was an objective and fair criterion to judge performance and give rewards, without creating so many disputes. The more important thing was that this practice not only accounted for the difference of labor between individuals, it also accounted for the difference of labor between groups and workshops. On the one hand it has overcome egalitarianism between individuals, and on the other hand overcome egalitarianism between small collectives. Specifically, the practice was to implement the production quotas and the system of personal responsibility in groups and individuals at all levels, and to divide up and assign the technical and economic targets for inspection and assessment to groups and individuals at all levels. The factories distributed bonuses to small collectives according to the results of their work, and the bonuses were then distributed among the groups' members according to individual work and the nature of the work. In this way, the income of each worker was linked with the results of his own work and also with the contribution of the groups or workshops in which he belonged. Thus, it is possible to really reflect the principle of remuneration according to labor, enabling the workers to show concern for the interest of the collective and strengthening coordination and cooperation. The Shanghai textile industry and the Chengdu bearing plant have scored remarkable achievements through implementing this method, and all enterprises throughout the country should attach importance to their experience.

In order to promote industrial production and ensure that the national economy grows steadily every year, we should abandon the old practice of mainly relying on building new factories and mines, but should mainly rely on tapping the potentials of the existing enterprises. We must do a lot of work in various areas in order to tap the potentials of the enterprises. However, the most important work is to fully mobilize the initiative of the workers in nearly 400,000 industrial and communications enterprises. We must strengthen, politically, the workers' sense of responsibility of being the masters and give play to the spirit of working in a down-to-earth way. In addition to this, the most efficient method is, as proposed by Lenin, to enable the workers to show concern for the result of their work by giving them material benefits.

We have gained a certain positive experience regarding this. Wages should be calculated on a piece rate basis in enterprises and branches of work, such as loading and unloading at ports, which are fully assigned with production tasks, which adopt a perfect management system and fulfill high average quotas and where a piece-rate system is preferable. Under the premises of making no changes in the present wage system and not giving bonuses in excess of the total stipulated amount of bonuses, all factories, mines and enterprises must work in accordance with local conditions, proceed from reality and work out more efficient methods. The experience of the Shanghai textile industry and the Chengdu bearing plant should be popularized and the key is to link the workers' wages and bonuses with their personal responsibility and economic results and resolutely correct the practice of indiscriminate distribution of bonuses and equal sharing of bonuses, thus enabling the bonuses to serve their aims of awarding labor in excess of quotas.

We must adopt a cautious attitude in order to popularize the method of distributing bonuses to small collectives for exceeding piecework, as practiced by the Shanghai textile industry, and the method of giving extra wage points for exceeding piecework, as practiced by the Chengdu bearing plant. We must first carry out trial implementation at selected points to gain experience before popularization. We must encourage enterprises which do not possess the qualifications to actively create such conditions. The basic condition is to improve the management of enterprises and promote ideological and political work. We must continue to study the details of these methods and strive to perfect them. To popularize the above experience and other advanced experiences, it is necessary to avoid rushing headlong into mass action regardless of the conditions and effects. "The scripture itself is good, but has been poorly chanted by the monks." We must bear this lesson in mind.

(The experience of the Chengdu bearing plant will be published tomorrow).

XINHUA: BONUS SHOULD NOT BE LINKED TO PROFIT ALONE

OW191421 Beijing XINHUA Domestic Service in Chinese 0026 GMT 19 May 81

[Work study by XINHUA correspondent Huang Jiafang: "Bonus Should Not Be Linked to Profit Alone"]

[Text] Beijing, 19 May (XINHUA)--Since the bonus system was restored in our country's state-owned and collective enterprises, it has had a very good effect on improving enterprise management and arousing the enthusiasm of workers and staff. But, some problems have also cropped up and merit discussion. For example, the present measures adopted by many industries and finance and trade units to use the profit of enterprises as the criteria for drawing bonuses are urgently in need of study and improvement. Recently comrades of industrial, commercial, labor and other departments in Hubei Province and Wuhan Municipality told this reporter that the practice of linking bonus to profit alone has many shortcomings:

1. It encourages some enterprises to merely pursue profits, going all out to make a big profit, making a small effort for a small profit, doing nothing if there is no profit, thus deviating from the management orientation of socialist enterprises. For some time past, a number of commercial units, in order to make greater profits, have put their main interest in dealings in big commodities and neglected small commodities needed daily by the masses. To buy a collar button, trouser button, black shoelace and other small things, sometimes one has to go through many stores, even all over the three cities of Wuhan. In some places, the masses cannot find pots to decoct medicinal herbs because the municipal daily necessities and groceries companies, which sell pots and pans and miscellaneous daily necessities, have their minds fixed on running profitable big commodities such as television sets, tape recorders, washing machines and so forth and are not eager to replenish their stocks of pots and pans needed by the masses.

In many cities and towns, there is even the phenomenon of local products stores selling commodities belonging in department stores, agricultural machinery stores selling wristwatches, pharmaceutical stores selling foodstuffs and so on, all trying to squeeze in and hold on to the market. All this is not proceeding from enlivening the market and making things convenient for the masses, but merely for making greater profits and getting more bonuses.

2. It encourages some units to have ideas on prices, raising them without authorization, hiking them in a disguised form and even engaging in dishonest practices. In the price inspection in Wuhan Municipality since last winter, seven units in Wuchang County have been discovered selling, at negotiated prices, commodities they bought at state-fixed prices. One unit made illegal profits by this method to the tune of 11,700 yuan. According to provincial departments concerned, there are a few nonstable food stores which, disregarding the health of the masses, sold inedible food items to the masses in order to make a profit. On this alone, each person in the stores obtained an average bonus of more than 100 yuan, making a very bad impression.

3. It widens the gap between departments and enterprises that are making more money and those not doing so well. At present in many trades and units in our country, the profit they make is not in direct proportion to the amount of labor given by the workers and staff members, and profit does not increase as the amount of labor increases. Therefore, if bonuses are given on the basis of profit alone, the irrational phenomenon, that more work will not earn more pay, but less work will, will result. This state of affairs is particularly conspicuous in the commercial departments. For example, the agricultural means of production supply departments and vegetables supply departments are subsidized by the state because the cost of the commodities they handle is generally high. The more commodities they handle and the more work they do, the greater the losses they often incur. If bonuses were given on the basis of profit alone, the result would be much work, little (or no) profit and little (or no) bonus. In contrast, some trades and units dealing in high-profit commodities (like petroleum) can make greater profits without doing much work and thus get more bonuses. Under present conditions, even for enterprises in the same trade doing the same amount of work, the profits they make will differ because of differences in the objective conditions of each enterprise (the conditions of raw materials, transport, warehouse storage, store location and so forth). Thus, profit, as the sole criterion to determine the amount of bonus, cannot completely represent the amount of work done by the workers and staff members, and this inevitably will dampen the enthusiasm of a number of workers, staff members and cadres and will result in abnormal market conditions: an abundance of high-profit commodities and a shortage of low-profit commodities, causing great inconvenience to the masses.

Comrades of industrial, commercial and labor departments held that the distribution of bonuses should follow the principle of distribution according to work; more work, more pay, less work, less pay. And so long as they are paid according to work, even relatively great disparities in bonuses between trades and units will be no problem. Because some enterprises' profits cannot fully reflect the result of the work of the workers and staff members, the drawing of bonuses on the basis of profit alone is contradictory to the principle of distribution according to work. Therefore, in actual economic work, we must find measures for reward that conform to the principle of distribution according to work. The comrades suggested that the commercial departments can draw bonuses based on two indexes, namely, an economic index and a service quality index. Some trade in the commercial departments (restaurants, for example) can adopt the measure of basic wages plus floating wages [fu dong gong zi 3187 0520 6327]. The industrial departments should draw bonuses on the basis of all-round fulfillment of major economic targets such as cost, profit, consumption and so forth.



Some heavy physical labor or types of work that can be reckoned by the piece can use the piecework pay system and give no bonus. Under the principle of distribution according to work, measures can be many and varied. Hubei's provincial finance and trade departments this year plan to conduct experiments in one or two trades in accordance with the above-mentioned principle and change the present method of drawing bonuses on the basis of profit alone.

RENMIN RIBAO ON MISCONCEPTIONS ABOUT READJUSTMENT

HK160654 Beijing RENMIN RIBAO in Chinese 8 May 81 p 5

[Article by Wang Xiangming [3769 0686 2494]: "Take the New Path Toward Economic Development With Emphasis on Results"--capitalized passages published in boldface]

[Text] In order to accomplish well all the current readjustment tasks, I, the writer of this article, think that it is necessary to clear up three misconceptions and push the upholding of a correct concept.

THE FIRST MISCONCEPTION IS, IN ANY CASE, A HIGHER RATE OF ECONOMIC DEVELOPMENT IS BETTER THAN A LOWER RATE. In the past when people feverishly and one-sidedly pursued high speed, people simultaneously associated high speed with high increase rates of 10, 20, 30 percent or more. Although there are only a few people who still encourage such high speeds, many people are disheartened at an economic growth rate below 10 percent. Rapid economic development is the common desire of the people in order to change our country's backward economic situation. However, the speed of economic development cannot be determined by subjective desire. To determine whether a higher or lower speed is more favorable, we must proceed from the actual conditions and consider the needs and possibilities. A higher speed is not always better than a lower one. Regarding the experience of other foreign nations, the long-term average development rate is not very high. Take the nearly 100 years from 1870 to 1969 for instance. The average annual growth rate of the GNP of the advanced capitalist countries was generally between 2 to 4 percent, and no country exceeded 5 percent. From 1950 to 1974, even in some countries which have developed rather quickly the annual growth rate was also kept between 2 to 6 percent. Only individual countries such as Japan, reached a growth rate of 8.9 percent. The economic growth rate of socialist countries was relatively higher, however, the average annual growth rate of the GNP from 1951 to 1977 was only between 5 to 10 percent. Although we possess a superior socialist system which makes possible relatively high economic growth rates, we cannot indulge in fantasies. Economic development cannot go beyond the limit, or else it will bring adverse results.

Practice has proved that it is wrong and impossible to attain our goals if we do not take practical conditions into consideration, if we ignore the goals of socialist production, ignore proportionate development and ignore economic results to one-sidedly pursue a high production speed in certain departments or in producing a small variety of goods. The ideal speed of socialist economic development should be a steady rate of increase which accords with the practical needs and possibilities, is in harmony with development, and brings about good economic results and material benefits to the people. Taking only a short period of time into consideration, this kind of speed is not high but medium. It is however really a high speed in the long run. Only such a speed can reflect the superiority of the socialist economic system.

THE SECOND MISCONCEPTION IS THAT ONLY IF WE GIVE PRIORITY TO THE DEVELOPMENT OF HEAVY INDUSTRY, CAN WE DEVELOP THE NATIONAL ECONOMY AT A HIGH SPEED. This belief was very popular in the past. It implied that giving priority to the development of heavy industry is an objective law governing socialist industrialization and is the sole and correct way for developing socialist economy at a high speed. Therefore, heavy industries have always enjoyed privileges and occupied a leading position in capital construction and industrial production.



The slogan of "taking steel production as the key" clearly shows how heavy industry has been one-sidedly developed. This is in fact a misconception. Even though socialist countries enjoy relatively more favorable conditions and can, when necessary, concentrate their productive forces on giving priority to the development of heavy industry, they still must adopt different principles when the prevailing conditions change. That is to say, giving priority to the development of heavy industry is not necessarily a constant principle. This concept in fact only allows for the roles that development of heavy industry plays in improving the national economy's level of technology and equipment, enhancing the labor productivity and speeding up development of production. On the other hand, it neglects the essential condition that development of heavy industry must be coupled with appropriate increases in the means of subsistence and does not taken into consideration that the speed of production development is not solely determined by the level of technology and equipment but is restrained by various other factors. Regarding capital which is essential for developing production, heavy industry needs more investments and the capital turnover is slow, but light industry only needs a small amount of investment and the capital turnover is fast and can rapidly increase income, expand accumulation and develop production. We have clearly seen what consequences the past practice has brought. The rash and over-aggressive development of heavy industry has hampered the development of agriculture, light industry and other production areas. It has led to an imbalance in the entire national economy and an imbalance in the proportionate relations between agriculture, heavy industry and light industry, and seriously lowered the economic results. We are still coping with these results today. However, we are distressed by the fact that some people still continue to give priority to the development of heavy industry and a high economic growth rate when we are vigorously pushing the development of agriculture and light industry and appropriately slowing down heavy industrial development. They usually "cannot figure out why" we have to readjust certain heavy industrial enterprises, which are dispensable and should not be developed, and even put up resistance. This shows that the above-mentioned concept is prevalent.

THE THIRD MISCONCEPTION IS THAT IT IS NECESSARY TO EXPAND ACCUMULATION IN ORDER TO DEVELOP PRODUCTION. This seems to fit perfectly with the theory that accumulation is the source of expanded reproduction. However, it readily leads people to stress the kind of expanded reproduction which demands more labor and more capital and neglect the expanded reproduction of tapping the existing enterprises' potentials. People, particularly in putting this concept into effect, believe that it is necessary to promote capital construction prior to developing production. An "upsurge of accumulation" existed in our socialist economy for a long period of time and has been mainly manifested in the feverish and blind promotion of capital construction. People have been enthusiastically promoting new projects and neglected the rational utilization of the existing enterprises' productive capacities. This situation still has not yet changed. For instance, more than 2 years have passed since the introduction of the policy to readjust the national economy. However, the over-extended capital construction front which exceeds the state's capability has not been cut back, and has even been expanded in some areas. This accounts for inflation and the imbalance of revenue and expenditure and of credits. The existence of this situation cannot be separated from the long-term existence of the "upsurge of accumulation." Presently, we must get rid of this upsurge in order to proceed with readjustment. We must resolutely cut capital construction investments, vigorously lower the long-term excessively high rate of accumulation and gradually keep an appropriate accumulation rate. In addition to this, we must pay attention to the utilization of accumulation and raise the effectiveness of accumulation, making it possible for rational distribution of accumulation to play a pivotal role in readjusting the structure of the entire national economy.

CURRENTLY, IN CARRYING OUT READJUSTMENT, WE SHOULD UPHOLD A CORRECT CONCEPT--TO SEEK SPEED BY IMPROVING THE ECONOMIC RESULTS. Satisfactory economic results imply and demand maximum utilization of the productive forces.

Thus, the productive forces can both directly increase production of essential social products and provide more resources for rational and proportionate arrangement and readjustment to speed up the development of production. We realize in actual practice that the economic results play a significant role in developing production. Take the years from 1971 to 1978 for instance, the accumulation rate was quite high, reaching an average of 33 percent. However, the growth rate of the national income during these 8 years was far lower than that during the period of the "first 5-year plan" since the increased national income derived from an average of 100 yuan of accumulation was only about half of the "first 5-year plan" period. If we had maintained the standard of accumulation returns of the "first 5-year plan" period, we could have lowered the accumulation rate by 50 percent. In other words, we could have saved over 300 million yuan during these 8 years. This negative example helps to clarify this problem.

Over the past 30 years, we have built a very strong material and technological base. However, the results have been poor. About 40 percent of the existing enterprises have failed to bring the role of fixed assets into play. Excessive accumulation of circulating funds is also serious. If we vigorously promote the return of production capital by readjusting the economic proportional relations and the economic structure, by reforming the system, by adopting policies on investment and technology which suit the country's actual conditions, and by carrying out tapping the potentials, innovation and reform within the existing enterprises, we can more rapidly develop our social production in the future, even when a lower accumulation rate prevails. Under the conditions whereby energy production has not increased, and in some cases it even decreased in 1979 and 1980, the growth rate of industry in the same period amounted respectively to 8.5 percent and 9 percent, and the annual growth rate of light industry amounted to respectively 9.6 percent and 14.7 percent which exceeded the annual growth rate of heavy industry at the time (which were 7.7 percent and 1.6 percent). This shows on the one hand that industrial readjustment has scored some initial success and on the other hand, that the improvement of the energy return can greatly speed up production. According to certain units' estimate, if we can more rationally utilize energy, we will double our industrial output even at the present level of energy production.

In short, in carrying out readjustment, we must really establish the idea of seeking speed by improving economic results so as to enable our country's economy to grow steadily.

#### RENMIN RIBAO ON CONTRACT SYSTEM IN COUNTRYSIDE

HK150500 Beijing RENMIN RIBAO in Chinese 8 May 81 p 2

[Commentator's article: "Popularize the Economic Contract System in the Countryside"]

[Text] After practicing the responsibility systems, some cadres at the commune and production brigade levels think that although the responsibility systems are good, it may be difficult to fulfill the tasks of requisitioning and imposed purchasing after the autumn harvest. Some commune members worry: Although output quotas have been fixed, who knows if they will not be changed after the autumn harvest? If these worries of the cadres and commune members are not thrown off in good time, they will affect production to a certain extent. Xuxian Prefecture in Anhui has adopted the method of signing economic contracts in implementing the production responsibility systems. This has relieved the cadres and the commune members of their worries and has increased enthusiasm toward production. In the past 2 years, production there has developed very rapidly.

A contract is an agreement on rights and duties signed by both parties (or several parties) concerned in accordance with state plans and relevant policies. In the past, this method was mainly used by industrial and commercial enterprises. It is still a new thing in the management of the collective economy of communes and production brigades.

At present, various forms of the production responsibility systems have been established in rural areas. Some localities practice the method of signing contracts for different trades and calculating remuneration according to output. This is very popular among the peasants. Consequently, many specialized trade teams, specialized trade groups, specialized trade households and specialized trade peasants have come into existence. This change in production management closely connects the distribution of economic interests with the quality of individual labor of commune members and implements very well the principle of distribution according to labor. At the same time, each work group or laborer has to assume economic responsibility and the scope of the relations among the state, the collective and the individual has been enlarged and the number of those participating have also increased. Therefore, in order to coordinate the decisionmaking power of production teams, the peasants' initiative and requirements of state economic plans, one feasible way is to sign economic contracts stipulating fixed output quotas, different amounts to be handed over or to be retained, costs and expenses, remuneration, rewards and punishment and determining duties and rights of both parties. In this way, economic contracts will become "links" for properly handling the relations between the state, the collectives and the individual. The process of signing contracts will then become a means to improving and stabilizing the production responsibility systems.

Economic contracts are binding over the parties concerned. Before signing them, they must be carefully discussed by the masses; once they are signed, they should be solemnly carried out. Of course, this does not mean that everything will go off without a hitch after contracts are signed. Much work has yet to be done before they can be realized. For example, we have to ensure that under no circumstances should any land, hills or water surfaces be wasted, and to supervise and urge the contractors to do a good job in crop-planting and in managing various trades according to stipulations in the contracts. On the one hand, contractors should try hard to realize everything stipulated in the contracts and on the other hand, various supplies clearly stipulated in the contracts such as improved varieties of seeds, fertilizers, insecticides, and so on, should be provided in good time. Realization of contracts is the best way to safeguard the solemnity of contracts. Therefore, we must adhere to the stipulations contained in contracts and make timely study of new situations and new problems occurring in carrying out contracts, and solve problems one after another in order to guarantee the complete realization of any economic contracts.

At present, in implementing the production responsibility systems, various kinds of economic contracts have been used in different localities, the range of contracts has been extended more and more and their contents have become richer and richer. Therefore, leading cadres at all levels throughout the countryside are required to study seriously this new branch of knowledge and to look upon bringing success to economic contracts as an important measure for improving and perfecting the production responsibility systems. We should follow the examples of Xuxian Prefecture and the Xu County party committee, and should regularly organize people to study problems, to solve problems and to continuously sum up experiences in order to give full play to economic contracts in managing agricultural production.

#### STATE COUNCIL REGULATIONS ON RURAL ENTERPRISES

OW151905 Beijing XINHUA Domestic Service in Chinese 1226 GMT 15 May 81

[PRC State Council's regulations concerning implementation of the national economic readjustment policy by commune- and brigade-run enterprises--dated 4 May 1981]

[Text] Beijing, 15 May (XINHUA)--Commune- and brigade-run enterprises have been very effective in utilizing and developing local resources, providing jobs for surplus labor in rural areas, consolidating and expanding the collective economy and increasing peasants' income.



They have played a positive role in gradually changing the economic structure of rural areas and agriculture, supporting agricultural development and promoting the growth of small towns. They have also contributed to the development of commodity production, the flourishing market, the expanded exports and the increased state financial revenues. Commune- and brigade-run enterprises have become an important component of the rural economy. They conform to the direction of promoting all-round development of the direction of promoting all-round development of the rural economy.

The main problems of the existing commune- and brigade-run enterprises are: There has been a lack of planning in their development and a lack of attention toward the ways of achieving economic benefits and of fully utilizing local resources; in the use of profits, the direct economic benefit for production teams and peasants has been relatively small; in many enterprises, financial management is still a mess and evil trends are rather serious.

Commune- and brigade-run enterprises should implement the central authorities' principle of making further readjustments in the national economy, proceed from the requirements of macroeconomy and earnestly carry out readjustment and consolidation by taking into account the characteristics and existing problems of commune- and brigade-run enterprises.

1. Commune- and brigade-run enterprises are associated with the peasants' economic interests, the employment of some 30 million people and the supply of some indispensable goods in the market. To resolutely carry out readjustment in conformity with the overall situation while respecting the self-decision rights of commune- and brigade-run enterprises, it is imperative to take prudent steps, properly conduct investigations and studies, take note of the different situation, bring out the positive functions, restrict the negative factors, increase the production of goods in short supply and limit the production of those already in full supply to ensure the sound development of rural enterprises. In the course of readjustment, it is necessary to enhance the supervisory and regulatory role of finance, credit and loan, taxation and pricing. Enterprises that do not compete with big plants for raw materials, that produce salable goods and that make profits should not be forced to close down or stop production.

In carrying out readjustment and consolidation, it is especially necessary to look after and support the commune- and brigade-run enterprises in areas inhabited by national minorities, in mountainous areas and in remote and impoverished areas.

2. The commune- and brigade-run enterprises may combine with state enterprises and large collective enterprises with county as a unit and work out a unified plan and a reasonable arrangement. They may also join the national or local trade organizations and comply with the jointly formulated supply- production-sale plans.

Commune- and brigade-run enterprises should adopt measures suited to local situations and vigorously explore and fully utilize the available resources to produce consumer goods. They should base themselves on farming and fishbreeding and develop productive and service trades that are beneficial to agricultural production, people's livelihood, small town construction, large industries and export trade. They should especially develop the traditional labor-intensive trades and the energy, raw and semifinished materials and building materials industries. In areas inhabited by minority nationalities, commune- and brigade-run enterprises should pay attention to the production of special articles needed by local people.

Commune- and brigade-run enterprises should promote the development of peasant-household sideline occupations and handicraft industry, as well as industrial and sideline production activities sponsored by peasants in partnership.

3. The state should set for all provinces, municipalities and autonomous regions the basic amount of farm and sideline products to be procured in a unified manner and by apportionment.

It should gradually popularize the system of signing contracts with communes and brigades in procuring farm and sideline products. Communes and brigades should strive to achieve the basic amount stipulated in the contracts. The amount in excess of the basic requirement may be sold to the state according to relevant regulations of the State Council. Some may be used in economic integration with state-owned enterprises or turned over to the latter for processing in order to get profits or finished products in return. Some may be processed and sold by the rural enterprises themselves. In the future, when state-owned enterprises have an excess processing capacity, communes and brigades shall not build enterprises of the same kind or expand their processing capacity. Generally speaking, the state will not build new plants or expand processing capacity in the cities when the raw materials used are farm and sideline products and when it is preferable to do the processing in rural areas. The state should support the development of the processing industry of collectively owned enterprises, which is economical and reasonable.

4. There should be no further development of commune- and brigade-run cotton textile plants, tobacco plants and small salt works. The existing tobacco plants should stop production or be transferred to other lines of production. All cotton textile plants should also be transferred to other lines of production, with the exception of those that have been incorporated into the state supply-production-sale plan, that accept materials from customers for processing and that make use of discarded cotton. Existing small salt works should undergo changes to raise their standards. Production of local salt should be stopped. Small pharmaceutical plants should have their products tested by departments concerned. It is necessary to resolutely stop the production of substandard pharmaceuticals. Tanneries should fully use the discarded resources of society and process materials furnished by customers. They may also use the available raw materials to engage in joint operation with larger plants so that the raw materials are treated at one point and the finished products are made through processing in diverse places. Small wineries should undergo readjustment and be moderate in using forage crops to brew wine. Taking the county as a unit for computation, the amount of forage crops used in brewery should not exceed 20 percent of the total amount of fodder.

5. Commune- and brigade-run machine processing enterprises should center on the production of medium-sized and small farm implements and the repair and maintenance of farm machinery and implements in order to meet the needs of agricultural production. They may also cooperate with large industrial enterprises in producing parts and accessories or trial-manufacture new products for the service of scientific research units. Those whose products are unsalable should be transferred to other lines of production in a planned way.

6. Commune- and brigade-run mining enterprises should undergo shakeups. They should make rational arrangements and carry out mining in a planned way. Wanton extraction and mining as well as destruction of resources should be prohibited. Enterprises not equipped with the necessary production conditions should carry out technical transformation. Those incapable of being transformed should be resolutely stopped from production. Technical transformation funds should be used according to regulation to transform the technology of commune- and brigade-run mines. In no way should they be spent on other purposes. The appropriated materials of these mines should not be withheld. When disputes arise as to the availability of mineral resources, it is necessary to make overall plans, take all factors into consideration and work out a rational arrangement.

7. In accordance with the State Council document No 172 (1980) "Tentative Regulations on Promoting Economic Integration," commune- and brigade-run enterprises should conform to the objective necessity of economic development and organize and participate in all kinds of economic integration suited to the locality. Similar trades at county, commune and brigade levels may be combined and work out a unified plan for supply, production and sales. Different localities may integrate with one another and exploit their respective advantages to make progress together. In carrying out the various forms of economic integration, it is necessary to maintain the original systems of ownership and the independent business accounting of the participating parties.

Commune- and brigade-run enterprises at present should pay special attention to integrating with the production teams in order to share the economic fruits with the peasants and strengthen mass support for commune- and brigade-run enterprises.

Peasant-household handicraft industry, farming and fishbreeding and the industrial and sideline production activities sponsored by peasants in partnership should be integrated and supported as regards the supply of fine seeds, technical guidance and supply and marketing.

Palaces with the necessary conditions should vigorously trial-run joint agriculture-industry-commerce enterprises (stockbreeding-industry-commerce, forestry-industry-commerce, fishery-industry-commerce). The distribution of enterprises should be rationally adjusted through integration.

8. Enhance the supervisory role of industrial and commercial administration and management departments. Commune- and brigade-run enterprises should be examined and approved by departments at or above country level in charge of commune- and brigade-run enterprises in accordance with the powers entrusted them. Industrial and commercial enterprises should observe the regulation and apply to the industrial and commercial administration and management departments for the issuance of business licenses, without which business operation is forbidden.

9. Strengthen the management of the capital construction of commune- and brigade-run enterprises. The present work emphasis is to fully tap the potential of existing enterprises and successfully carry out technical innovation and transformation. In building new projects, one's capabilities should be considered, and the procedures should be strictly controlled. The projects of different trades and scales will be managed at different levels. Specific measures will be worked out by the individual provinces, municipalities and autonomous regions. The existing capital construction projects should be sorted out. Those not equipped with the necessary conditions for capital construction and which are seriously polluting the environment should be stopped or remodeled. Those meeting the requirements should apply again for approval. In the future, new projects should go strictly by the capital construction procedures, and finance and credit and loan departments should play their supervisory role.

10. The development of commune- and brigade-run enterprises should coordinate with the construction of small towns. Unified plans should be made and rational distribution and appropriate concentration arranged. While promoting industrial production, it is necessary to develop cultural undertakings, welfare institutions and daily life service trades in order to make small towns flourish gradually.

Newly established enterprises must make full use of scattered plots of discussed land in towns and try their best not to use arable or good land. Land earmarked for capital construction use must be strictly handled. Bureaus for commune- and brigade-run enterprises in various provinces, municipalities and autonomous regions must set up limits in the area of land to be used for capital construction projects on the basis of different trades and scales in production, and submit applications to the department concerned for approval according to the regulation for the examination and approval of such applications within their own jurisdiction. They must also make payments to the production brigade which originally used the land to make up the losses. Excess land or land not in use must be returned to the production brigade.

11. Commune- and brigade-run enterprises must conscientiously implement the circular issued by the State Council on strictly controlling commodity prices and consolidating negotiated prices as well as related rules and regulations of various provinces, municipalities and autonomous regions. From now on, changes in commodity prices on the market must be reported to the department concerned for approval within the framework of jurisdiction in price control. It is strictly forbidden to carry out speculative activities, inflate prices at will and manufacture shoddy merchandise to seek exorbitant profits.



12. Commune- and brigade-run enterprises must pay taxes according to document No 19, entitled: "Several Rules on Readjusting Industrial and Commercial Taxes for Rural Commune- and Brigade-Run Enterprises" issued by the State Council (1981). They must not concoct various pretexts, resort to deception and evade taxation.

13. Various provinces, municipalities and autonomous regions may select some factories (farms) to carry out experiments in reforming the system of commune- and brigade-run enterprises, to change commune-run enterprises belonging to the commune and brigade-run enterprises belonging to the brigade into collective enterprises jointly run by various brigades. At present, major efforts must be made to readjust the relationship between communes and brigades on the one hand and commune members on the other to increase commune members' material benefits; and to readjust the relationship between the communes and brigades on the one hand and the enterprises on the other to give enterprises added decisionmaking powers.

14. The management of commune- and brigade-run enterprises must be conscientiously and extensively strengthened. Major issues, such as charting the course of commune- and brigade-run enterprises in production, newly built or expanding enterprises, and distributing and using the profits must be decided at representative or shareholders' meetings after discussion. It is necessary to strengthen enterprises' democratic management and bring into full play the workers' supervisory role. As for the personnel system and labor management in enterprises, it is necessary to adhere to the system of working both as peasants and workers. Job applicants must go through careful screening and only those with good qualifications should be hired. Under no circumstances should anyone fill a post with his own man. It is essential to maintain stability in keeping employees in a trade with many highly technical jobs so as to improve management and raise technical standards. Efforts must be made to strictly enforce responsibility systems in production, implement the principle of "to each according to his work," and integrate the enterprises' achievements in management with workers' material benefits.

It is necessary to strengthen business accounting, tap the potential of enterprises, lower production costs, reduce the consumption of raw materials and fuel, increase production, improve production quality and help enterprises raise their capabilities in competition.

Efforts must be made to strengthen financial management and accounting work, train more financial and accounting personnel, establish a strict financial and accounting system, help financial and accounting personnel play their role well, take inventory assets, check creditors' rights and debtors' liabilities, establish a sound system for the control of funds and material, oppose indiscriminate requisition and use of funds, combat corruption and waste, do away with the practice of giving dinner parties and gifts, of offering bribes and of distributing bonuses at will, and correct all unhealthy trends.

15. Commune- and brigade-run enterprises must strengthen labor protection and ensure safety in production. It is necessary to actively control pollution and beautify the environment. Enterprises which have seriously destroyed the natural resources, polluted the environment and lack conditions to ensure safety in production should be given a deadline to improve themselves. Those which cannot solve their problems should be closed down, stopped, integrated with other enterprises or changed over to other products. The food industry must strictly adhere to the standards set by the state on food sanitation. Enterprises which fail to meet the standards are forbidden to market their products.

16. The people's governments at all levels must further strengthen their leadership over commune- and brigade-run enterprises, improve management organs in charge of such enterprises according to the regulations included in document No 170 issued by the State Council (1979) and help them to strengthen themselves. Efforts must be made to conduct investigations on resources and work out plans for readjustment and development. It is necessary to carry out the legislative work well on commune- and brigade-run enterprises and, step by step, develop economic and technical services by commune- and brigade-run enterprises.

It is essential to help commune- and brigade-run enterprises strengthen themselves in supplying and marketing, do a good job in making forecasts on the market situation, carry out joint procurement and marketing, act as a purchasing and marketing agency for others and keep all channels open in supplying and marketing. Efforts must be made to strengthen work for economic and technical information, technical training and technical service.

RENMIN RIBAO COMMENTS ON FIREARMS CONTROL

HK200723 Beijing RENMIN RIBAO in Chinese 13 May 81 p 3

[Short commentary: "Strengthen Firearms Control and Ensure Public Safety"]

[Text] "Measures for firearms control laid down by the People's Republic of China" approved by the State Council and promulgated and implemented by the Ministry of Public Security is one of the state's important laws and regulations. As far back as the early period following the founding of the People's Republic of China, our government laid down, promulgated and implemented the "temporary measures for firearms control." Practice has proved that it is absolutely necessary to exercise strict control over firearms in accordance to state laws and regulations. In China, firearms for nonmilitary use have always been controlled by the state according to regulations and in line with the needs of work. Following the consolidation of the people's democratic dictatorship and the development of the state's construction cause, great changes have taken place in the situation in which firearms are controlled. The framework for controlling firearms has been relatively readjusted by the implementation of the "measures for firearms control laid down by the People's Republic of China" which were recently promulgated. The use of firearms in sports and hunting has developed rapidly in recent years. These firearms can also cause injuries to people and have been included under the unified framework of firearms control. Regulations have been formulated for the manufacture, purchase and control of firearms, and for the control of firearms possessed by foreigners in China. These are measures necessary for perfecting the socialist legal system.

During the 10 years of turmoil, Lin Biao and the "gang of four" incited the masses to resort to violence and issued weapons recklessly. Thus large quantities of arms and ammunition proliferated in society, and serious consequences arose therefrom. This still remains fresh in people's memories. The purpose for strengthening the control of firearms by the state is to safeguard the country's interests and the people's lives and property, to maintain social order and to prevent counterrevolutionaries and other criminals from getting hold of firearms to conduct their sabotage activities. These control measures have won the unanimous support of the broad masses of the people.

Party and government organs, mass organizations and various grassroots units in the cities and rural areas throughout the country, all citizens of the People's Republic of China and all foreigners in China must conscientiously abide by the regulations and strictly implement the various stipulations concerning firearms control. With the recent promulgation of the "measures for firearms control laid down by the People's Republic of China", the general registration of arms and ammunition must be carried out. All units and individuals in compliance with the regulations concerning the possession of firearms must report to the public security organs in accordance with the procedures for possessing firearms. Those not in compliance with these regulations must, on their own initiative, hand in the arms and ammunition they possess to the public security organs. Those who violate the regulations concerning firearms control will be seriously dealt with according to law. Those who steal and use arms and ammunition for criminal activities must be resolutely suppressed and severely punished according to law.

The units possessing firearms must educate their personnel who handle firearms and the personnel who take care of firearms that they must abide by the government's laws and regulations and that they must heighten their vigilance to prevent theft, loss and accidents. The public security organs must strictly perform the duty of supervising and checking. They must supervise the units concerned in strengthening their control over firearms according to the measures stipulated in the regulations.

We are convinced that the units concerned and the masses of the people will actively support and cooperate with the public security organs in accomplishing this task.

GOVERNMENT INTEREST IN ENERGY SAVING NOTED

Awards Given

OW211355 Beijing XINHUA in English 1247 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Five hundred and twenty boiler operators and 404 operating groups were recently commended in China for their contributions in the nationwide energy-saving drive, according to the All-China Federation of Trade Unions. The 22,800 boilers of various types in China annually consume a total amount of fuel equivalent to 350 million tons of standard coal, or 41 percent of the country's fuel consumption, a federation official said.

Among the cited were 34 boiler operating groups from Shanghai. The Shanghai No 6 pharmaceutical factory raised its output by 40 percent last year while cutting coal consumption by 6.1 percent compared with 1979, saving 5,050 tons of coal. Hunan Province in central China saved more than 2 million tons of coal in 1980. From January through October 1980, the city of Fuzhou in Fujian Province saved 32,000 tons of coal from boilers.

The cited boiler operating groups were selected from 23 provinces, municipalities and autonomous regions, covering the textile, chemical, machinery, power, railway and telecommunication sectors, the official said.

The official, who is in charge of the energy-saving drive, said the treatment of water is a key measure to ensure safety in boiler operation and save energy. The removal of a 1.5 millimeter thick layer of scale from a boiler can raise its heat utilization rate as much as 60 percent, he said. If the scale was removed from all of China's boilers, some 21 million tons of coal would be saved annually.

In April last year, the State Economic Commission, the State Bureau of Labor, the All-China Federation of Trade Unions and the State Supplies Bureau jointly issued a circular calling on boiler operators across the country to raise their technical and management levels, lower fuel consumption and raise heat utilization rate by improving the existing facilities and transforming low-efficiency boilers.

Last year, although China's energy production dropped 1.3 percent, industrial output value was 8.7 percent above the 1979 level.

In the past year, the official said, factories and enterprises in China have offered technical training courses for boiler operators and lectures on water treatment. Old boilers and equipment have been transformed or improved and the utilization rate of exhaust heat raised, he said.



I. 22 May 81

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CHINA  
PRC NATIONAL AFFAIRS

#### National Meeting Held

HK210655 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 19 May 81

[Summary] In order to solve the problem of opening up and saving energy resources in rural areas, the State Scientific and Technological Commission, the State Agricultural Commission, the Ministry of Agriculture, the Ministry of Commerce and the State Supplies Bureau jointly held a national meeting to exchange experiences in saving firewood and coal in rural areas in Zhoukou Municipality, Henan, from 11 to 16 May. Vice minister of the State Agricultural Commission He Kang, Vice Minister of the Ministry of Agriculture Zhou Xiu, Vice Governor of the Henan Provincial People's Government Cui Guanghua and responsible members of the State Scientific and Technological Commission, the Ministry of Commerce and the State Supplies Bureau were present at the meeting and gave speeches.

Delegates from 29 provinces, municipalities and autonomous regions took part in the meeting, and they exchanged experiences in saving firewood and coal. They also brought with them 68 firewood-saving and coal-saving stoves as well as solar energy stoves for demonstration.

The meeting stressed the policy of attaching equal importance to opening up energy resources and saving energy while giving priority to the work of energy-saving and the principle of suiting measures to local conditions, adopting various methods, supplementing each other and striving for good results. The meeting also called for the setting up and consolidating of necessary energy-saving organs and expected a great change for the better in the energy shortage situation in rural areas within 3 to 5 years.

#### BEIJING REPORTS DROUGHT IN NORTHERN CHINA

OW210532 Beijing Domestic Service in Mandarin 2230 GMT 20 May 81

[Text] ZHONGGUO NONGMIN BAO reports that at present the northern part of our country is suffering from a drought. In particular, the drought in the main winter wheat producing areas of Beijing, Tianjin, Hebei, Shandong and Henan is relatively serious. Positive steps are being taken to fight the drought.

Since last winter, the five provinces and municipalities have not had adequate rain and snow. The total acreage of winter wheat hit by the drought is more than 93 million mu, accounting for more than 94 percent of overwintering crops suffering from drought in the whole country. The area of spring crops hit by the drought is even greater. In light of this situation, the five provinces and municipalities have fully mobilized the masses, unified organizations and strengthened leadership, and they are determined to fight the drought through to the end.

Hebei Province has dispatched 10 work teams led by directors of various departments and bureaus to the countryside to fight the drought. More than 280,000 machine-operated wells have been used in addition to water from ponds. More than 29 million mu of wheat have been irrigated.

Beijing Municipality has persisted in fighting the drought. Since October last year, the people in Beijing have sunk 1,128 wells and repaired 721 more. The monthly rate of progress in irrigating land hit by the drought in Shandong Province has reached 1 million mu.

#### MINISTER ON BETTER WATER CONSERVANCY MANAGEMENT

OW211349 Beijing XINHUA in English 1239 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Qian Zhengying, minister of water conservancy, said that stress should be on improving the management of existing water control projects rather than on expanded capital construction at a national meeting on management of water conservancy projects which closed here today.

Minister Qian said China has invested 78,000 million yuan (RMB) in water conservancy projects since 1949 and that these projects have played a significant role in the development of China's national economy. However, some projects have not reached designed capacity due to poor management.

More than 200 people, including directors of water conservancy bureaus across China, and departments under the ministry, heads of major projects and specialists in the field, are attending the meeting.

There is still great untapped potential in water conservancy projects, the participants pointed out. China has over two million pump wells. If each could be made to irrigate an additional 10 mu (15 mu to a hectare) by better management, the total irrigated area would increase by 1.3 million hectares.

Minister Qian said China now has 86,000 reservoirs, 25,000 sluice gates, 160,000 kilometers of dykes and an enormous number of channels and canals. There are now 46.7 million hectares of irrigated fields, or roughly half of China's farmland. The capacity of small hydropower stations totals 7 million kilowatts. These projects have effectively alleviated the effects of drought and heavy rains and have utilized water resources efficiently, the minister said.

She commended advanced units in management of water conservancy projects and called on other areas to learn from them.

The area irrigated by the Jinghui irrigation system along the Jinghe, a tributary of the Huanghe in Shaanxi Province, has been increased from 33,000 hectares to 90,000 hectares. Scientific methods of management have been adopted and as a result, per hectare output of grain in the irrigated area has increased to 7.5 tons. The dykes controlling the biggest tributary of the Chang Jiang, the Han River in Hubei Province, have been strengthened and tree belts have been planted to protect the dykes against the scouring action of waves. The tree belts have yielded 17,000 cubic meters of timber and brought an income of 6.1 million yuan in the past 24 years in addition to reinforcing the dykes.

A decision was made at the meeting to raise the educational and management level of workers in the field of water conservancy. All officials in water conservancy departments will be trained in rotation over a five-year period. All workers should be fully qualified for China's modernization program, the participants concluded.

#### JOURNAL REPORTS TREASURY BONDS SELLING WELL

OW191411 Beijing XINHUA in English 1249 GMT 19 May 81

[Text] Beijing, 19 May (XINHUA)--Local governments and departments throughout China had bought 2,130 million yuan in treasury bonds by the end of April, 53.25 percent of the country's annual quota, reports CHINA FINANCE AND TRADE JOURNAL today.

Shanghai, China's leading industrial city, pledged to buy bonds worth 345.22 million yuan, exceeding the state quota by 1.5 percent.

Henan Province purchased bonds valued at 161 million yuan, 19 percent more than the target set for the province by the state.

The Ministries of Commerce, Petroleum Industry and Communications met more than 80 percent of the bond quotas set for them by the state.

GOOD RAPESEED HARVEST EXPECTED THIS YEAR

OW201311 Beijing XINHUA in English 0806 GMT 20 May 81

[Text] Beijing, 20 May (XINHUA)--A number of winter rapeseed producing areas across China are reporting good harvests this year. Output in Sichuan Province, a major rapeseed producer in the upper reaches of the Yangtze, is expected to reach an all time high of 700,000 tons, or 20 percent over that of last year.

In Hunan Province, central China, rapeseed output is forecast to increase by 70 percent, totalling 250,000 tons, the highest output since liberation in 1949.

The east China province of Anhui will produce 450,000 tons of rapeseed, an increase of 65 percent over 1980. This is the third consecutive year that the province has registered good rapeseed harvest.

However, the coastal province of Zhejiang, which was hit by a hailstorm this spring, will show less than a 10 percent increase.

Rapeseed harvest along the upper and middle reaches of the Yangtze River has ended while work along the river's lower reaches has begun.

The increases in rapeseed output, agricultural departments say, are generally attributed to peasants' enthusiasm for production triggered by the new system of remuneration according to output. The peasants expanded their rapeseed acreage and popularized improved seeds. The weather was favorable too.

XINHUA CARRIES INDUSTRIAL NEWS IN BRIEF

OW221252 Beijing XINHUA in English 1244 GMT 22 May 81

[Text] Beijing, 22 May (XINHUA)--China's first large bore-drilling vessel has been made, and is now being used to build a deep-water tubular pillar wharf in the East China Sea. The vessel's drilling machine is 1.5 meters in diameter and has a hoisting capacity of 50 tons. The dual purpose vessel is capable of drilling and grouting, and loading and unloading. The operating systems are mostly electronically controlled. The vessel can resist strong winds.

China's second electric generating unit fueled by low-quality gangue coal--the No 2 unit with a capacity of 25,000 kilowatts--has started operation at Didao power plant in Heilongjiang Province. Since September 1979, the No 1 unit, with a capacity as big as that of No 2, has generated a total of 93.91 million kilowatt-hours of electricity by burning 231,000 tons of gangue. The amount of gangue burned is equivalent to 59,000 tons of standard coal.

China's first portable placer gold concentrator sets, capable of concentrating 20 cubic meters of placer gold per hour, have been produced at a gold processing machinery plant in Shaoyang city, Hunan Province.

Liangshan Autonomous Prefecture of Yi nationality in Sichuan Province produced 5,900 grams of gold in the first quarter of this year, 27 percent of its annual quota, according to the prefecture's authorities. Last year, the prefecture produced 23,000 grams of gold, exceeding the state target by 21.6 percent. Individual commune peasants produced 7,500 grams of gold.



CHILDREN'S EFFORTS TO PROTECT RELICS NOTED

OW210904 Beijing XINHUA in English 0820 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--The stone lion figurines atop the railings of the Lugou Bridge, known abroad as the Marco Polo Bridge, are now washed every week by nearby school children, reports the PEOPLE'S DAILY today. A group of fourth graders at the Lugouqiao primary school on the southwestern outskirts of Beijing have done this since last autumn in an effort to "help educate" those who like to write or even carve their names on objects or places of historic interest for posterity or just for fun. Meanwhile, the children want to remind themselves and their schoolmates of the importance of preserving historic relics.

Wang Hui, a team leader of the Young Pioneers organization in class three, grade four, at the Lugouqiao primary school, initiated the cleaning in the midst of a city-wide discussion by Beijing school children on the need to "love the country and her capital." It struck him that the best thing they could do to help the country was to clean the bridge, first built 800 years ago, which was grimy and neglected then.

The bridge, spanning the Yongding River, was built in 1189-1192, during the Jin Dynasty (1115-1234). Japanese troops launched their invasion of Beijing from this bridge in 1937, setting off China's war of resistance against Japanese aggression. Stone lions about a foot high line both sides of the bridge, and smaller ones, the size of a fist or a walnut, frolic on the backs, in the mouths, under the chins and feet of the bigger ones. Because of the intricacy of the figurines, people used to believe that it was impossible to determine the exact number of lions on the bridge. The number was finally established at 485 a few years ago, but many people take it with a grain of salt.

Children of the Lugouqiao primary school at first used gasoline to wash some of the lions, eliminating signatures done in paints and other materials, reports the PEOPLE'S DAILY.

Theoretically, anyone caught writing or carving their names on historic objects or places in China is subject to be fined.

ANHUI'S ZHANG JINGFU ON PROMOTING COAL PRODUCTION

OW212106 Hufei Anhui Provincial Service in Mandarin 1100 GMT 21 May 81

[Excerpts] The Anhui Provincial CCP Committee and People's Government recently issued a circular urging staff and workers on the coal industry front throughout the province to keep in mind the overall situation from the position of coal mines, fully realize the role and function of the coal industry in national economic readjustment, understand the glorious task they shoulder, foster a firm concept of being the masters of the nation and persist in working full time, producing more coal and making greater contributions.

Since the beginning of this year, coal production in the province has been quite encouraging. From January to April, the province turned out 7,586,000 dun of coal, exceeding the quota by 184,000 dun. But lately, many of the staff and workers of the Huainan-Hjuaibei coal mines with residences in the rural areas of Fuyang, Suzian and Luan have returned to their homes to help their families harvest and sow crops. Attendance at the coal mines has been affected, which is unfavorable to coal production. The leading comrade of the provincial CCP Committee and People's Government has been very concerned about this matter.

In early March, Comrade Zhang Jingfu, first secretary of the provincial CCP Committee, went to the Huanian-HuaiBei coal mines and was briefed by the municipal CCP Committee and the mining bureau. He said: After the introduction of various forms of production responsibility systems in rural areas, including linking farm output to labor, it is necessary to fix realistic farm output quotas for coal miners' family members in rural areas according to their labor power. In some cases, lower or no quotas may be fixed for them. Communes and brigades which provide their grain rations should take appropriate measures to solve problems so that coal miners will not be distracted by these worries and will concentrate their attention on coal production.

Recently, after hearing a report by the responsible comrade of the provincial coal industry department, the leading comrade of the provincial CCP Committee and the provincial government again emphasized the importance and urgency of promoting coal production. He said: At present, coal is needed not only for industrial production, people's livelihood and disaster relief work, but also for processing grain, oil-bearing crops and tobacco as we develop agriculture and a diversified economy and reap a bumper harvest of summer grain. The demand for coal by all quarters is great. Therefore, while making readjustments within itself, the coal industry should strive to promote coal production, take firm measures and find every possible way to overfulfill this year's coal production plan so as to produce more coal and make greater contributions.

## Radio Commentary

OW212157 Hefei Anhui Provincial Service in Mandarin 1100 GMT 21 May 81

[Station commentary: "Keep in Mind the Overall Situation, Produce More Coal"]

[Excerpts] Energy is an important thing which constitutes the material basis for developing the national economy. Now coal accounts for more than 80 percent of our province's energy composition. Coal is needed not only for industrial production and the people's daily lives, but also for processing grain, oil-bearing crops and tobacco as we develop a diversified economy in rural areas and reap a bumper harvest of summer crops. Coal is also demanded by other sectors. Under these circumstances, if no effective measures are taken to promote coal production, we will not be able to ensure further economic readjustment and stability in our province. Future political stability may also be affected. This is where the coal industry stands in the readjustment. It should not retreat, but should continue to develop as best it can.

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PRC REGIONAL AFFAIRS  
EAST REGION

We hope that staff and workers on the coal industry front throughout the province will carry out and develop their fine tradition and work styles and that, in the course of current national economic readjustment, they will correctly understand the nation's difficulties; correctly handle the relationships between the state, the collective and the individual; consciously subject the partial to the overall interests and the individual to the collective interests; and persist in working full time, producing more coal and making greater contributions in the spirit of the masters of the nation.

To promote coal production, it is also necessary to secure close cooperation and powerful support of all sectors. The efforts of rural cadres are especially needed to help solve the practical problems in production and livelihood of family members of coal miners with residences in rural areas so as to dispel the miners' worries. Miners who have returned home to help harvest and sow crops should be persuaded through ideological education to return to their respective mines. Moreover, mutual aid activities should be carried out to help their families in rural areas harvest summer crops.

We believe that our province's coal production will be swiftly promoted if all of us keep in mind the overall situation, cooperate with one another and work with one heart and soul to score success.

SHANDONG URGES IMPLEMENTATION OF FORESTRY POLICIES

SK220532 Jinan Shandong Provincial Service in Mandarin 2300 GMT 21 May 81

[Excerpts] The provincial forestry work conference concluded 21 May, calling for efforts to eliminate the leftist influence, ease policy restrictions, stabilize forest ownership, implement systems of responsibility and arouse collective and commune members' enthusiasm to accelerate forestry development.

In accordance with the party Central Committee's decision to protect and develop forestry and in view of Shandong's current situation, the conference set forth general tasks for developing the province's forests. The tasks are: Through self-reliance and diligent work, to lay a solid foundation within 3 years, afforest all available lands, make all plains green, ensure that forest cover reaches 20 percent by the end of this century, strive to be self-sufficient in construction timber supplies and gradually raise the masses' timber consumption level.

The conference emphasized: Agricultural development hinges on policies, so does forestry development. The growth cycle of forests is relatively long. Therefore, it is necessary to implement and stabilize forestry policies. The focus of current forestry policies is on establishing effective systems of responsibility in accordance with local conditions. Only by so doing can we combine the rights, responsibilities and interests in planting and managing trees, bring into full play the enthusiasm of collectives and commune members and make a success of forest management and afforestation.

Qin Hezhen, secretary of the provincial party committee and deputy provincial governor; (Hao Yushan), vice forestry minister; and Zhu Qimin, deputy provincial governor, attended and spoke at the conference.

SHANGHAI CHILDREN TO DO GOOD THINGS FOR PEOPLE

OW211407 Beijing XINHUA in English 1224 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Shanghai's Young Pioneers are to do three good things for the people and the motherland from June 1, the International Children's Day this year to June 1, 1982, the current issue of the weekly paper CHINESE CHILDREN'S NEWS reported. This was contained in a proposal put forward on May 4, by a group of Young Pioneers in Shanghai's primary and secondary schools to reciprocate a Communist Party call to members of the society to do good turns for children earlier this year.



The proposal prescribed the three good things:

--Respect the older generation and serve retired cadres, workers, teachers and grandparents.

--Care about and help kindergarten, nursery and junior schoolchildren.

--Contribute money from the collection of scrap paper, metal, bottles, toothpaste tubes and cloth to the Shanghai railway administration to fund the "Red Scarf" train, a train especially for children, between Shanghai and Jinshan.

Commending Shanghai Young Pioneers' initiative, the weekly paper called on Chinese children to take an active part in such activities to do good things for the country and the people.

FURTHER ON ZHEJIANG CONGRESS, CLOSING SPEECHES

Commerce, Service Trades

OW211914 Hangzhou Zhejiang Provincial Service in Mandarin 1100 GMT 21 May 81

[Excerpts] Deputies attending the third session of the fifth provincial People's Congress and CPPCC members attending the third session of the fourth provincial CPPCC Committee were anxious to air their views at panel discussions. Demonstrating a democratic style, they gave their own opinions and presented many constructive suggestions regarding the development of the third industry and the improvement of urban construction.

Representatives from Hangzhou Municipality said: Hangzhou was a consumer city before liberation, hence its flourishing commerce, restaurants and other service trades. After liberation, the principle of transforming the consumer city into a producer city was practiced and the third industry was neglected. Deep cuts and drastic changes were made to considerably reduce the number of shopping facilities and commercial workers. Although efforts have been made in the past 2 years to improve the situation, commerce and service trades at present still cannot meet the demand. With the progress in production and construction, the improvements in the people's livelihood and the sharp increase in the number of tourists visiting Hangzhou, it has become an urgent task to develop the third industry.

Representatives from Ningbo Municipality said: The difficulty in getting tailoring, hairdressing, bathhouse and repair services has become an outstanding issue in the city-dwellers' livelihood. It is necessary to vigorously develop the third industry. However, service trades are usually associated with low social status. Young people are unwilling to do these jobs lest they be despised and the departments concerned do not show their appreciation and support. Government at all levels and departments concerned should regard this as an important matter and widely publicize the important role of service trades in the national economy and the honorable duties of service trade workers. Meanwhile, they should relax the policy of the third industry; give the industry preferential treatment in terms of funds, raw and semifinished materials and taxes and take good care of the workers in terms of wages and welfare.

(Su Shoushan) and (Zheng Mingyuan), representatives from Zhenhai County, said: Controlling the size of big cities, rationally developing medium-sized cities and vigorously expanding small towns are a principle laid down by the party Central Committee and the State Council. This principle has not been properly reflected in the plans for urban construction in our province. Financial and material resources have been mainly used to build big and medium-sized cities with little consideration for small town construction. We hope the provincial planning commission and the departments concerned will take into account in their planning, the population growth in small towns and accordingly increase the investments in building small towns as well as the volume of planned commodities allocated to these towns.

(Li Chuanxiao), a representative from Ningbo Municipality, said: There are many problems in urban construction. The major ones are the lack of a unified urban construction plan, the irrational arrangement, the disorderliness and the serious environmental pollution. Due to the absence of comprehensive planning over the years, some houses have been constructed only to be demolished later and some streets have been paved and then excavated. Manpower and material resources have been considerably wasted.

Representatives from Taizhou Prefecture said: Now the illegal occupation of cultivated land is very serious. It has not been effectively stopped despite the regulations issued by the State Council and the provincial authorities. We suggest that the provincial government formulate more specific rules and laws to seriously deal with individuals and units who in defiance knowingly violate the laws, so as to resolutely stamp out this practice.

(Wang Yiqing), a representative from Zhoushan Prefecture, urged concern for housing construction on islands. He said: Housing construction is still a prominent issue in our prefecture. As the fishermen and peasants now have more money at their disposal, the first thing they have in mind is to revamp old houses and build new ones. I hope the departments concerned will take appropriate steps to allocate housing construction materials to islands.

Representatives from Ningbo Municipality said: It is necessary to pay attention to the work on retired workers. Many veteran workers have retired in recent years, yet there is not a single institution in charge of this work. No facilities are specially designed for retired workers' activities. We hope that trade unions and neighborhoods will set retired workers organizations to look after them in all aspects so that they may lead happier lives in their old age.

Tan Zhenlin, Tie Ying Speak

OW212042 Hangzhou Zhejiang Provincial Service in Mandarin 1100 GMT 21 May 81

[Text] The third session of the Fifth Zhejiang Provincial People's Congress successfully ended on the afternoon of 21 May, thanks to the deputies' concerted efforts to complete all the items on the agenda. At the closing ceremony held in Hangzhou's Great Hall of the People, the session unanimously adopted a message of greetings to Soong Ching Ling, honorary chairman of the PRC, from all the deputies to the third session of the fifth provincial People's Congress and from all the members attending the third session of the fourth provincial CPPCC Committee.

Tan Zhenlin, vice chairman of the NPC Standing Committee who is currently in Hangzhou, met in the meeting hall with all the deputies and all the members of the provincial CPPCC Committee who attended the session as observers. He then delivered an important speech. He said: The session has been fine and has scored tremendous achievements. He wished the session complete success. He urged the participating comrades to work harder and act in accordance with the party Central Committee's line, principles and policies so as to win still greater victories for Zhejiang in its effort to build the province still better.

During the 7-day session, the deputies seriously exercised their rights to fulfill their responsibilities as masters of the country, spoke on behalf of the people, criticized government work to a point and made many valuable suggestions. The session fully embodied the spirit of socialist democracy. Inspired with enthusiasm, the deputies have full confidence in fulfilling the tasks for 1981 and are determined to exert utmost efforts together with the people of the province in advancing Zhejiang's modernization drive.

On the morning of 21 May, the session held an election, electing Yu Jiye and Xing Zitao as additional vice chairmen of the Standing Committee of the provincial People's Congress. (Bian Jichong), (Li Qingtan) and (Hu Xuewei) were elected additional members of the Standing Committee of the provincial People's Congress. The session also appointed Wang Jiayang, Wu Zhichuan and Mou Haixiu as vice governors of the province and elected Li Fengping as an additional deputy to the Fifth NPC from Zhejiang. When the results of the election were announced at the session, applause broke out in the meeting hall.

The session held a final meeting this afternoon. Seated on the rostrum were executive chairmen of the session--Tie Ying, Wang Fang, Liu Dan, Liu Zizheng, Li Yuhua, Li Lanyan, Wang Qidong, Yu Jiye, and Xing Zitao--and other members of the presidium as well as responsible persons of the provincial party committee and the provincial People's Government. Comrade Liu Zizheng presided over the closing ceremony.

The meeting adopted a resolution on the work report of the provincial government, heard the budgetary committee's report on the examination of the provincial final accounts and budgets and adopted a resolution on the 1981 national economic plan of the province, the 1980 provincial final accounts and the 1981 provincial budget. It also adopted a resolution on the work report of the Standing Committee of the provincial People's Congress along with a resolution on the work report of the provincial Higher People's Court and the work report of the provincial People's Procuratorate. The meeting heard a report on the examination of motions from the session's motions committee and adopted the report.

According to the report, the session received 1,031 motions. They were examined and passed by the motions committee and have been referred to the Standing Committee of the provincial People's Congress, the concerned departments of the provincial People's Government, the provincial Higher People's Court, the provincial People's Procuratorate and the prefectures, municipalities and counties concerned.

Comrade Tie Ying delivered the closing speech. He said: Acting in accordance with the great principle set forth by the party Central Committee for further economic readjustment and greater political stability, this session has discussed and decided upon the tasks for 1981. After the session, its guidelines should be widely disseminated among the cadres and people throughout the province. It is necessary to fully mobilize the enthusiasm of cadres and the people so that they will be able to promote the four modernizations with one mind and one heart, do a still better job in this year's agricultural and industrial production and fulfill the tasks set forth by the session.

Comrade Tie Ying said: To fully mobilize the people's enthusiasm, it is necessary to enable them to understand the current political and economic situation as well as the party's line, principles and policies so that they will have full confidence in the cause they are fighting for. We should be good at leading them in earnestly studying for. We should be good at leading them in earnestly studying Marxism-Leninism-Mao Zedong Thought. Effective methods must be adopted to propagate the great feats performed by the party during the difficult 1960's; to publicize the magnificent contributions of Comrade Mao Zedong and Mao Zedong Thought; to make known to the people the party's great achievements in eliminating chaos, restoring order and correcting "leftist" mistakes since the third plenary session of its current Central Committee; and to publicize the correctness of the party Central Committee's principles and policies for developing the economy--principles and policies which conform with our country's actual conditions.

It is necessary to carry out meticulous, convincing and in-depth ideological-political work among the masses so that we will be able to enhance their understanding of firmly adhering to the four basic principles, to increase their faith in socialism and to arouse their zeal in loving the motherland and revitalizing the Chinese nation. This will guarantee the full implementation of the party Central Committee's line, principles and policies; the fulfillment of the state plan and the correct integration of the interests of the state, the collective and the individual.

Comrade Tie Ying continued: To fully mobilize the people's enthusiasms, it is imperative to give scope to socialist democracy and further improve the political system under which the people are the masters of the country. To meet this end, we should constantly strengthen and improve the people's congress system and give full play to the role of the people's congresses at various levels and to their standing committees as the local organs of political power. In making important policy decisions or performing important tasks, government departments, enterprises and agencies must follow a mass line, pool the wisdom of the masses and solicit the opinions of the people. Special attention should be paid to giving full play to the role of experts who are professionally competent and who possess the technical know-how we need.



Cadres at all levels should remain modest and prudent, guard against arrogance and rashness, study hard and pay high regard to science. To generate the people's enthusiasm and initiative, cadres at all levels should be aware of the need to organize them and should be good at directing their enthusiasm and initiative to serving the four modernizations. After this session, leading cadres at various levels should direct their main energies toward conducting investigations and studies and solving various practical problems. They should conscientiously analyze the conditions for fulfilling various tasks and the difficulties involved, go to grassroots units to investigate and study their problems; carefully observe the mood, voice and demands of grassroots cadres and the masses; grasp the new conditions and new situations in actual work and seriously study what measures should be taken to tackle problems.

Comrade Tie Ying concluded: Our socialist construction cause belongs to the millions of people. We must have faith in and rely on the people and be good at mobilizing their enthusiasm so that they will have ease of mind, work hard and devote themselves to the great cause of the four modernizations. The Chinese PLA is the defender and a builder of our socialist cause. We must strengthen the unity between the army and the government and the unity between the army and the people. We are convinced that so long as the soldiers and the people of the province can unite as one and work hard, shoulder to shoulder, the tasks set forth at this session can be successfully fulfilled.

The closing ceremony of the session ended amid the majestic strains of our national anthem.

Also present at the closing ceremony today as observers were Zhejiang's deputies to the NPC; responsible persons of the governments of the prefectures, municipalities and counties; leading members of departments concerned under the provincial People's Government; and responsible persons of the provincial Higher People's Court and other courts.

#### BRIEFS

SHANDONG SCHOOL ENROLLMENT--The Shandong Provincial People's Government recently issued a circular on enrollment in institutions of higher learning and technical secondary schools. The 217 universities and colleges of the province plan to recruit 16,015 students in 1981. Technical secondary schools will recruit 12,694 graduates from senior middle schools and 16,188 graduates from junior middle schools. In addition, the circular called on leaders at all levels and personnel in charge of enrollment work to uphold enrollment principles and not to engage in unhealthy practices. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 May 81 SK]

SHANGHAI HOSPITAL VIOLENCE--The Shanghai municipal government recently issued a circular calling on all units to step up education in the legal system with a view to protecting hospital personnel's personal safety and maintain the order of hospitals' normal work. The circular points out that there have been frequent cases in which relatives of patients stormed hospitals and beat up medical personnel. Some were even injured or killed. This should never be tolerated. The public security departments should take effective steps to stop such incidents. Troublemakers and criminals should be sternly dealt with in accordance with the law. All hospitals should educate medical personnel in better service attitude and quality. [Shanghai City Service in Mandarin 2300 GMT 16 May 81 OW]

GUANGDONG SEEKS TO IMPROVE CHILDREN'S WELFARE

OW220816 Beijing XINHUA in English 0801 GMT 22 May 81

[Text] Guangzhou, 22 May (XINHUA)--Children's playgrounds equipped with swings, slides, merry-go-rounds and other facilities, recreation rooms, canteens, a library and a miniature railway are being added in the parks in the south China metropolis of Guangzhou. This is part of the program undertaken by the Guangdong Provincial Children's Welfare Society. Set up last November, the society is composed of about 100 people, including veteran women cadres, literary and art workers, teachers, doctors and nurses.

In cooperation with the children's palace and other cultural establishments, the society has sponsored a children's painting exhibition and edited a book on testing children's intelligence. Medical personnel and educators are being organized to write articles on child care and children's education. The provincial radio station will broadcast a series of lectures on bringing up children and educating them.

With the help of nutrition specialists, efforts are also being made to expand the production of children's nutritional supplements. Candies with added iron and biscuits with added calcium are being trial-produced. The abundant marine products of the province are being utilized to make high-protein nutriment for children.

Funds to support the work of the society have come mainly from donations. Its Vice-President Ma Jinchao contributed 5,000 yuan, and several painters and calligraphers sold paintings and calligraphy to raise money for the society. Theatrical groups staged special performances and donated the proceeds.

During the recent Guangzhou export commodities fair, the society opened a sales counter in downtown Guangzhou to sell silks, drawn work, children's clothing, toys, handicrafts and daily necessities which they purchased from factories at wholesale prices.

HUNAN RIBAO CITES OPPOSITION TO PARTY LEADERSHIP

OW201658 Changsha Hunan Provincial Service in Mandarin 2315 GMT 19 May 81

[Report on HUNAN RIBAO 20 May editor's note to page 1 article by (Li Wen) entitled "Correctly View the Party's Role in the Forward March"]

[Text] The editor's note says: To build our motherland into a powerful and modern socialist state is a long-cherished goal of people throughout the country as well as a very arduous historical task. CCP leadership is needed to fulfill this historical task. Our party is absolutely capable of providing good leadership for the modernization program.

Now, a few comrades have found that some young comrades question and lack confidence in party leadership. Others with ulterior motives have picked up the bourgeois platitude for attacking the Communist Party and used the so-called new ideological trends to spread statements opposed to party leadership. [Words indistinct] lack an overall understanding of the construction carried out since the founding of new China [words indistinct].

HUNAN VIEWS SCIENCE, TECHNOLOGY IN ECONOMY

OW201131 Changsha Hunan Provincial Service in Mandarin 1100 GMT 19 May 81

[Text] From 11 to 17 May the Hunan Provincial CCP Committee and the provincial People's Government held a provincewide meeting on work in science and technology to relay the directive recently issued by the party Central Committee and the State Council on work in science and technology and discuss the principle of making work in science and technology serve economic construction.

Summing up the experience and lessons drawn from work in science and technology in the past several years, the meeting held: The orientation in the field of science and technology during the past few years has generally been correct. However, there have also been some problems. For example, we put forward some unrealistic slogans with regard to the scale and speed in the development of science and technology and imposed some exceedingly stringent demands on ourselves. Scientific research has not been closely linked to production. Introduction of new scientific and technological achievements in actual production has been slow.

The meeting conscientiously studied and discussed the principle of making work in science and technology serve economic construction as laid down by the party Central Committee and the State Council. It held: This principle is entirely compatible with the state of affairs in China. It is a correct principle for developing the economy as well as science and technology. To make science and technology serve economic construction even better, it is necessary to develop the economy and society in a coordinated manner and to regard the promotion of economic development as our primary task. We must intensify the study of production techniques and speed up the promotion and development of new technology in industrial and mining enterprises. We must ensure the study of basic theories and develop them step by step. It is essential to regard the study, introduction and application of foreign scientific and technical achievements as an important measure in developing China's science and technology.

The meeting studied and discussed measures on how to implement the principle of making work in science and technology serve economic construction. It pointed out: The party committees and governments at all levels must attach great importance to science and technology and firmly strengthen their leadership. Efforts must be made to include in our long-range and fiscal plans for economic construction those major problems which we should solve as quickly as possible in order to develop the national economy while making sure that these plans are implemented. The promotion and application of scientific and technical achievements must be included in production plans, and arrangements made to fulfil these plans. It is necessary to integrate scientific research with production. In introducing achievements in scientific research, it is essential to take into consideration their effect on production. Scientists and technical experts must be invited to discuss the technical and economic advantages and disadvantages before major scientific and technical innovations are applied in important projects in economic construction. Overall arrangements must be made in introducing major achievements in scientific research so that they will be given full play in production.

Attending the meeting were leading comrades of the provincial CCP Committee, the Standing Committee of the provincial People's Congress, the provincial People's Government and the provincial CPPCC Committee. Comrades Mao Zhiyong and Liu Fusheng spoke at the meeting. Comrade (Hou Ying), chairman of the provincial scientific and technological commission, delivered a report.

Present at the meeting were leading comrades in charge of work in science and technology under the various prefectural and municipal CCP committees, chairmen of the scientific and technological commissions in various prefectures, municipalities and counties and leading comrades of provincial-level units concerned, totaling over 200 people.

#### HUNAN RADIO ON FULFILLMENT OF INDUSTRIAL PRODUCTION

OW210202 Changsha Hunan Provincial Service in Mandarin 1100 GMT 20 May 81

[Station commentary: "Enhance Vigor, Strive To Fulfill or Overfulfill This Year's Industrial Production Plan"]

[Text] More than 4 months of this year have passed. How to effectively use the valuable time in May, June and the second half of the year to fulfill this year's industrial production is a cardinal matter that bears on the continued growth of the industries in our province as well as on balancing our revenues and expenditures.



Leading organs at all levels and comrades on the industrial and transport and capital construction front must bear in mind: We should enhance our vigor and work hard so as to fulfill this year's production tasks with determination.

One of the important reasons that some places and enterprises in our province have been so slow in advancing production this year is that lacking correct understanding of the economic readjustment policies, some comrades have mistakenly set readjustment against production. Thinking that economic readjustment means full retreat, these comrades are apprehensive of discussing production targets and the rate of development. As a result, they do not try to solve expeditiously some of the solvable problems and to fulfill some of the attainable targets. This is a wrong attitude. We should realize that further readjusting the national economy represents a positive step, and that in spite of advances or retreats in the course of readjustment, our general trend is to advance. It was true that in our past economic work we did pursue high targets, resulting in tremendous losses. Such a mistake should be corrected. We cannot, however, negate the mass enthusiasm for production because of this mistake and thus maintain that the lower we set the production targets the better, and the slower we proceed the better.

The growth rate and various targets we set for industrial production throughout the province are practical, allowing for unforeseen circumstances, and they are achievable with effort. Various industrial and transport departments must boost their spirit of sharing the burden with the state and enhance their sense of responsibility for the masses by carrying the heavy load bravely so as to ensure a steady increase in industrial production in our province.

In fulfilling this year's industrial production plan, we must emphasize the production of essential goods for daily use. We must also stress that heavy industrial departments, such as the machine-building industry, the metallurgical industry and military industry [jin gong], must do away with the attitude of waiting for the high-level authorities to make the readjustment and relying on them to fix their assignments. Heavy industries have tremendous potential for increasing production. Comrades working with the heavy industries must adapt to the situation brought about by structural changes in the entire economy. While developing products that are in short supply, they must actively readjust the orientation of their products to serve agriculture and light and textile industries, so as to provide more and better technical equipment and raw materials for the production of goods for daily use. They must also use their surplus and technical manpower to produce, by working in coordination with other departments, items the people like, and to strive to overfulfill this year's production tasks. Banks and financial, tax, commercial, supply and marketing and foreign trade departments must give full play to their role as an economic lever and a link to commodity circulation, and support and promote production so as to enliven the economy.

In short, all professions and trades should do their share in ensuring the fulfillment or overfulfillment of this year's industrial production and in striking a balance between revenue and expenditures.

#### BRIEFS

HUNAN RAPESEED OUTPUT--Changsha, 17 May (XINHUA)--Hunan Province produced more than 5 million dan of rapeseeds this year, showing an increase of some 70 percent over that of last year. The volume is the highest since liberation. [Beijing XINHUA Domestic Service in Chinese 0007 GMT 17 May 81 OW]

HUNAN EARLY RICE--Hunan Province has thus far transplanted some 20 million mu of early rice. There are still several million mu of rice fields into which seedlings are yet to be transplanted. It is expected that all transplantation work will be completed by the middle of May. Where seedlings have already been transplanted, work has begun to strengthen field management, such as cultivation and topdressing. [Changsha Hunan Provincial Service in Mandarin 1100 GMT 7 May 81 OW]

CHENGDU AIR FORCE UNITS HOLD MILITARY CEREMONY

HK220056 Chengdu SICHUAN RIBAO in Chinese 7 May 81 p 1

[Report: "The Air Force of the Chengdu PLA Units Solemnly Holds a Standard Presentation Ceremony"]

[Excerpt] The Air Force of the Chengdu PLA units solemnly held a standard presentation ceremony on the morning of 5 May.

The ceremony began at 0800. On behalf of the air force, Yao Jun [1202 1498], deputy chief of staff of the air force headquarters, gave the order to start the ceremony, and then presented a bright red "eight-one" standard to the Air Force of the Chengdu PLA units. Wu Jiuyan [2976 4949 0337], commander of the Air Force of the Chengdu PLA units, and Political Commissar Zheng Zhubo [4774 4554 3134] marched with the standard-bearer and escort to receive the standard at the reviewing platform. Deputy Chief of Staff Yao Jun then made a speech. He said: The "eight-one" military standard was designed and made under the personal direction of Comrades Mao Zedong and Zhou Enlai. It symbolizes the honor, bravery and glory of our army and encourages us to fight in unity and boldly advance under the leadership of the Central Committee and the Central Military Commission. Chengdu PLA units Air Force Political Commissar Zheng Zhubo said in his speech, we must spontaneously respect the standard and defend it with our lives. At present we must seriously implement the line, principles and policies laid down since the third plenary session, uphold the four basic principles, strengthen the cultivation of our work style and discipline, build a high degree of spiritual civilization, enhance the combat effectiveness of the units, constantly make new contributions to defending the motherland's airspace and the four modernizations, and win new glory for the standard!

Chengdu PLA units Deputy Commander Ru Fuyi attended the ceremony.

After the standard was handed over, Deputy Commander Ru Fuyi and Deputy Chief of Staff Yao Jun reviewed the parade, accompanied by Commander Wu Jiuyan and Political Commissar Zheng Zhubo.

SICHUAN RIBAO URGES IMPROVEMENTS IN INDUSTRY

HK220248 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 21 May 81

[SICHUAN RIBAO 22 May editorial: "Stimulate Revolutionary Spirit and Strive to Fulfill This Year's Industrial Production Plans--More on Doing Everything Possible To Boost Sichuan's Industrial Production"]

[Excerpts] Sichuan's industry and communications front shoulders arduous and glorious tasks amid the readjustment and restructuring of the national economy. Over 4 months of the year have now passed. Industrial production plans in the first quarter were not fulfilled well enough. Although there was a rise in April, output was still below the level of the same period last year. The tasks in the remaining 8 months of the year are thus all the more arduous.

We must have plenty of drive and the spirit of hard and practical work. We must display the revolutionary spirit of refusing to submit to difficulties and strive to overcome them. We must establish the viewpoint of the overall situation and bring into play the communist disposition.

The fundamental issue in stimulating revolutionary spirit and striving to fulfill this year's industrial production plans is to strengthen party leadership and uphold the four basic principles. While applying material and economic measures, we must also strengthen ideological and political work. The workers on the province's industry and communications front must further mobilize, take advantage of the favorable opportunity during the second and third quarters, work in concert, boost their drive, launch socialist labor emulation, and strive to fulfill and overfulfill this year's industrial production plans, to make new contributions to the modernization drive.

XINHUA CORRESPONDENTS REPORT ON CHANGES IN XIZANG

OW211200 Beijing XINHUA Domestic Service in Chinese 0029 GMT 21 May 81

[Report by XINHUA correspondents Xie Bangmin and Jiang Shunzhang]

[Text] Lhasa, May 21 (XINHUA)--Tremendous changes have been brought about in Xizang in the past year by implementing the party Central Committee's instructions on the region's work. This is a historic turning point. In the past year, a number of distorted theoretical questions on nationality have been clarified, and the central task and the objective of struggle for Xizang in the new period have been made known to people.

During the 10 years of turmoil, Lin Biao and the "gang of four" created theoretical confusion on the question of nationality and distorted it into a question of class struggle, thus seriously undermining the party's policies on nationality, religion and united front work. Last year the regional party committee performed a lot of work in bringing order out of chaos, corrected the mistake of labeling people as rich peasants (or herdsmen) or capitalists, made conscientious efforts to remedy frameups and false and wrong cases and restored the work of some patriotic personages or arranged jobs for them in government organizations. The party and the government also earmarked a fund for the specific purpose of repairing and maintaining such famous temples as the Hudala Palace and the Dazhao, Zashicangbu and Shajia temples. All this has aroused the enthusiasm of people of various nationalities and of personages of all social strata. It has improved the relations among various nationalities and strengthened the unity of various nationalities.

People in Pagu township, Nyemo County, have a gift for singing and dancing. However, the singing of songs had not been heard in "the home of singing and dancing" for 10 years since 1969. During the distribution of income at the end of last year, people in Pagu township sang and danced all night long for 3 consecutive nights to express their job and their gratitude to the party.

In accordance with the party Central Committee's instructions, last year the autonomous region strengthened its work of legislation on regional national autonomy by setting up a legislative affairs group under the Standing Committee of the regional People's Congress. In accordance with the provisions of the constitution of our country and Xizang's actual conditions, the group has successively put forward laws and regulations such as "the regulations on the self-government of the Xizang Autonomous Region", "a draft proposal to solicit opinions," "the detailed rules governing the election of people's congresses at various levels in the Xizang Autonomous Region," "some flexible measures for implementation of the PRC law of criminal procedure (draft)," and "the flexible regulations on implementation of the PRC marriage law (draft)."

Last year the autonomous region made vigorous efforts to train and promote minority nationality cadres and built a contingent of cadres with the Tibetan cadres as the mainstay. Tibetan cadres are now basically the chief component of the cadre ranks in the regional autonomous organs. In the past year or so, more than 350 cadres of Tibetan and other minority nationalities have been promoted to leading positions at or above the county level. Thus, the proportion of cadres of Tibetan and other minority nationalities in the ranks of leading cadres at or above the county level has increased from 37.3 percent to 44.7 percent. The region now has more than 36,000 cadres of Tibetan and other minority nationalities, accounting for other 60 percent of the total number of cadres in the region.

In addition, greater importance has been attached to the spoken and written Tibetan language. The Chinese and Tibetan language are simultaneously used in handling official business, writing documents, issuing public notices and teaching, and the Tibetan language is regarded as the first language in the region. The autonomous region also has decisionmaking powers in financial affairs and border trade.



The achievements made by the Tibetan people in the past year in eliminating poverty for prosperity, developing the economy and changing the poverty appearance are especially heartening. In line with the central directives and proceeding from the actual conditions at present, Xizang has put into effect a rehabilitation policy to mitigate the burden of the people. The autonomous regional People's Government put out a proclamation declaring that--beginning in 1980--agricultural and animal husbandry tax and business tax payable by handicraft industry and individual handicraft industry under the collective ownership shall be exempted for 2 years and communes and brigades shall not be asked to sell agricultural and animal husbandry products according to an apportioned quota. The apportioning of tasks in all forms was abolished. Last year, as a result of tax exemptions and hiking the price for agricultural and animal husbandry products, the income of peasants and herdsmen throughout the region was raised. The proportions among agricultural undertakings had also been readjusted based on the living habits and national characteristics of the Tibetan people by reducing the winter wheat acreage and restoring the cultivation of traditional crops such as highland barley, legumes and rape. A total of 33 industrial and mining enterprises that were short of raw materials and which turned out unmarketable products and operated on a loss over a period of time were shut down, stopped in production, or merged or transferred to take up other form of production. Funds were appropriated to support the national handicraft industry under the collective ownership so as to restore and develop the traditional national handicraft industry.

The total output value of the national handicraft industry in the entire region amounted to 6 million yuan or an increase of 20 percent over the previous year. The output of items essential to the Tibetan people increased by 43 percent. Thus, some old cities and town like Lhasa, Xigaze, Gyangze and Qamdo are bustling with activity. Last year, the acreage of private plots throughout the entire region rose from more than 169,000 mu to over 355,000 mu, or 10.3 percent of the total farmland. The number of draft animals retained for private use increased from more than 1.2 million head to more than 3.48 million head, 15 percent of the total number of livestock.

The policy relaxing restrictions on sideline production benefited the masses tremendously. The average per-capita income derived from sideline production by commune household members amounted to 32 yuan. In Zhanang County, 80 percent of the total number of households of the Zhaxi commune had an income of over 1,000 yuan from the sideline production. By the end of last year, savings deposits of all types by peasants and herdsmen throughout the Xizang Autonomous Region reached over 104 million yuan or an increase of 14 percent over the previous year.

A responsibility system or production compatible with the level of Xizang's productive forces and management has also been established and perfected step by step. Keeping in mind their own defects--slow production and poor management--many communes and brigades have adopted lower forms of a responsibility system, the system of fixing farm output quota on a household basis and the system of commune households assuming full responsibility for most of the farm work. Since the broad masses of peasants and herdsmen picked a responsibility system that suited their own needs according to their own wishes, their enthusiasm for work has surged to an unprecedented level. Agricultural, animal husbandry and sideline production throughout the region reported an overall bumper harvest and the best return last year. Compared with 1979, total grain output increased by 19 percent; rapeseed, 35.6 percent; income from collective sideline production, 6.7 percent. There has also been noticeable improvement in the people's livelihood. The people have more grain, meat and buttered tea. They have built more new houses and bought more clothing, bedding and furniture.

The Honghai commune in Auduo County was originally a poor commune, but things have changed. Its average per-capita income amounted to 305 yuan. Instead of remaining financially overdrawn, every household now has a savings deposit. Last year Yadong County--located on the remote border--reported an average per-capita income of 265 yuan. Many Tibetan compatriots who crossed over the national boundary a few years ago are now returning home with their herds. Some people who originally planned to move out of Xizang are now building houses and storing grain. They said that they would not leave the region even under the crack of a whip.

It is enjoyable to see Xizang today where the economy is developing, the people's livelihood is somewhat improved, the urban and rural markets are becoming alive, the relations among nationalities are improving, unity of nationalities is further strengthened, the party's prestige is rising noticeably, the relations between the party and the masses is becoming more intimate with each passing day, the people's minds are at ease and the border defense is consolidated.

Last year marked another historically important turning point for Xizang since its peaceful liberation and the reform introduced after the putting down of the rebellion; last year was a starting point for the Tibetan people to build a united, prosperous and cultured new Xizang.

#### LIBERATION ANNIVERSARY CELEBRATED IN XIZANG

##### Yin Fatang Addresses Meeting

OW220643 Beijing XINHUA Domestic Service in Chinese 1531 GMT 21 May 81

[Text] Lhasa, May 21 (XINHUA)--The Xizang Regional CCP Committee, the Standing Committee of the Xizang Regional People's Congress and People's Government of Xizang Autonomous Region solemnly held a report meeting at the auditorium of the Lhasa municipal cultural palace on 21 May to commemorate the 30th anniversary of the signing of "the agreement of the central People's Government and the Xizang local government of the methods for peaceful liberation of Xizang."

More than 1,000 people attended the report meeting, including representatives of workers, peasants, herdsmen, intellectuals, patriotic personages, cadres and commanders and fighters of the PLA.

Yin Fatang, first secretary of the Xizang Regional CCP Committee, spoke at the meeting. He said: The agreement on the methods for peaceful liberation on Xizang signed in Beijing on 23 May 30 years ago is an important document which has brought an epoch-making change in the history of the Tibetan nation and of the relations between Xizang and the motherland. The signing of the agreement is not only a matter of great historical significance in the political life of people of all nationalities in Xizang, but also a major event in the political life of the people of the whole country. The signing of the agreement indicates that the Tibetan nation has forever freed itself from imperialist aggression and bondage and returned to the great family of all nationalities of the motherland with fraternal love and cooperation. It has established a foundation for the people of Xizang in fully enjoying the right of equality and regional autonomy of minority nationalities, for the development of political, economic, cultural and educational work in Xizang, and for the improvement of the people's living conditions in Xizang. It has opened a great new era for the Tibetan nation to go from darkness and bitterness toward brightness and happiness.

Yin Fatang listed numerous historical facts in describing the historical background of the signing of the agreement. He pointed out: Today, if there are still some people who advocate the long bankrupt, wicked idea of "independence for Xizang" and continue to engage in activities to split the motherland, their face of national betrayal and rebelling against the motherland will be exposed more clearly, and they will ultimately be cast aside by the people.

Moving on to the change in Xizang after peaceful liberation. Yin Fatang said: During the past 30 years, the people of all nationalities in Xizang have advanced from a feudal society of serfdom to the socialist road through democratic reform and socialist transformation under the leadership of the Chinese Communist Party and the central People's Government. The days of old Xizang--when the laboring people were oppressed and exploited, the economy was worsening, the cultural level was low, the population was decreasing and the people's livelihood was extremely difficult--have gone forever. Now the people of Tibetan nationality have become the masters of the country, economy and cultural work are constantly developing, and the population in Xizang is rapidly increasing. People can see a new socialist Xizang, where the living conditions of the people are being gradually improved.

Now there are more than 36,000 cadres of Tibetan nationality and other minority nationalities in the whole region, accounting for more than 60 percent of the total number of cadres in the region. The top leaders of the party and government of the five prefectures and one municipality and the overwhelming majority of counties are all cadres of minority nationalities.

The total grain output of the whole region in 1980 reached 1.01 billion jin, an increase of 210 percent as compared with 1959, the year before the democratic reform. The total number of livestock in the whole region reached more than 23.8 million (head) in 1980, increasing by 220 percent as compared with 1949.

In the past, modern industry was almost nonexistent in Xizang. Now electric power, coal, chemical, building materials, machinery, forestry, woolen textiles, leather and food processing industries have been set up in Xizang. The total value of industrial output in 1980 reached more than 150 million yuan. The traditional national handicraft industry has also been restored and developed.

Transportation and postal and telecommunications work have been developing most rapidly in the region. A highway network with Lhasa as its center has been built. The total of highways has reached more than 21,000 kilometers. Flight routes between Lhasa and Chengdu and between Lhasa and Xian have also been opened. Postal and telecommunications services are now available in all counties and places with a concentration of plants, mines and other enterprises.

The commercial and trade activities in the region are very active. Cultural work, education, science and technology and health work have all made significant progress. There are now more than 6,000 primary schools, more than 70 secondary schools, more than 20 secondary professional and technical schools, and 4 schools of higher learning in the region, with a total attendance of more than 200,000 students, of which more than 20,000 are students of colleges and middle schools. A strong contingent of teachers of minority nationalities has been formed in the region.

There are now 69 scientific research organizations in the region with more than 14,000 scientists and technicians of natural sciences. There are now more than 800 hospitals and clinics of various kinds in the region, with more than 6,000 medical personnel. People of Tibetan nationality are provided free medical care.

In addition, literature and art in the tradition of the Tibetan nationality and the newly developed physical culture and sports, publication and news work have all made significant advances.

Yin Fatang said: During the past 30 years, our party has made conscientious and careful investigations and studies on the special characteristics of the region and of the Tibetan nationality. Our party has integrated the content of socialism with nationality and has produced a timely, general program and a strategic plan for the line, principles and policies of the revolution in Xizang.



Yin Fatang continued: The party Central Committee particularly called a discussion meeting on work in Xizang in March and April 1980. In the light of actual conditions in Xizang, the meeting clearly set forth the central tasks, goals and an eight-point policy for work in Xizang under the new historical conditions. At the same time, the meeting also specifically laid down six major tasks for now and in the future. The party Central Committee's important directive on work in Xizang has provided details for work and is a vivid expression of the line, principles and policies of the 3d Plenary Session of the 11th CCP Central Committee. It is a programmatic document of the party's nationality work in the new historical period. The document helps to remove the shackles of "left" erroneous ideas, which long fettered work in Xizang, and sets it on the track of healthy development. Over the past year, we have earnestly studied the directive of the party Central Committee, implemented the party's various policies and readjusted the national economy. As a result, relations between the various nationalities have improved, party-government and army-people relations have been strengthened and the party's prestige has been markedly enhanced. A political situation of stability, unity and liveliness unknown in the past decade and more has emerged.

Yin Fatang concluded: After summing up positive and negative experiences, we profoundly realize that revolution and construction in Xizang cannot fail if we uphold and safeguard party leadership, unswervingly implement the party's nationality, religious and united front policies, and meticulously and steadily advance work in the light of realities in Xizang. "Without the Communist Party, there would be no socialist new Xizang." This is a valuable experience, summed up from the genuine feelings of the people in Xizang. We must forever bear in mind this truth while building a united, prosperous and civilized new Xizang.

#### Yin Fatang Receives Reporters

HK220216 Lhasa Xizang Regional Service in Mandarin 1130 GMT 21 May 81

[Summary] The leadership group for the celebrations marking the 30th anniversary of the peaceful liberation of Xizang held a reception in Lhasa on 19 May to welcome journalists and others who have come to Xizang for the celebration. Yin Fatang, Luosang Cicheng and other responsible persons of the regional CCP Committee Propaganda Department, the XIZANG RIBAO office, and the regional broadcasting affairs bureau. Attending the reception were personnel from XINHUA SHE, RENMIN RIBAO, JIEFANGJUN BAO, GUANGMING RIBAO, the Central People's Broadcasting Station, the Chinese International Broadcasting Station, the central television station, the central newsreel studio, ZHONGGUO QINGNIAN BAO, MINZU TUANJIE [UNITY OF NATIONALITIES] magazine, Chengdou Military Region's ZHANSHI [FIGHTER] BAO, and Xizang news units.

BEIJING PROMOTING THIRD-CATEGORY PRODUCTION

HK220302 Beijing City Service in Mandarin 2300 GMT 9 May 81

[Text] Recently, the State Council formulated plans that Beijing should devote major efforts to promoting third-category production so as to seek a new way out and provide more job opportunities for youths awaiting employment, and so that service trades will better serve the people. The municipal CCP Committee and People's Government have decided: to establish a leadership group in which all departments concerned should participate; and to study and seek a unified solution for problems existing in the principles, policies, forms and the establishment of networks so as to facilitate the development of third-category production. Research has shown that in the coming period, Beijing should regard developing third-category production as an important item in implementing the four instructions on the guiding principles for building up the capital. At present, we must give priority to developing trades such as commerce, catering, service, and repair industries for which the people have a pressing demand. In particular, we must develop service trades run by collectives and individuals.

Since liberation, Beijing has developed tremendously in industry and agriculture, and the population in the urban areas is growing every year. However, third-category production, which emphasizes service, has not developed accordingly. According to statistics in 1980, the population in the urban areas had increased by 260 percent over 1949, and the total retail sales of goods had increased by 630 percent. However, networks of retail shops and service trades have not increased. On the contrary, there are less of them now. Although there are more large shops than before, there has been a drop in the number of small shops in the streets and lanes. We can hardly find any mobile stalls in the streets. This has given rise to great inconvenience to the people. In the past 2 years, we have done a lot of work to provide more job opportunities for youths awaiting employment and develop commerce and the service trade, and have scored some results. However, we have not changed the backward situation of the service trade in our society. According to analysis, the main reason for the phenomenon is that we have not thoroughly eliminated "leftist" ideology nor properly regarded the task of developing third-category production. According to information provided by the departments concerned: if the number of people engaged in the commerce, catering, service and repair trades reaches the level of 1957, we will be able to provide more jobs for the youths awaiting employment; moreover, the people will enjoy a more comfortable life.

In developing third-category production, many departments will be involved. Under the leadership of the municipal CCP Committee and the People's Government, all districts and counties should actively and steadily launch work to develop third-category production. They should grasp developing collective and individual social service trades as an important task to facilitate people's life and provide more jobs for the youths. All departments concerned should enthusiastically support the development of third-category production and be very cooperative. They should strengthen investigative and research work, promptly solve all problems arising amid development, carry out removal of the irrational management system and ensure that third-category production develops smoothly. We must devote major efforts to publicizing the significance of developing third-category production. Society should support and respect the service trade and enhance the sense of honor and responsibility among service trade personnel.

Beijing Radio Commentary

HK220306 Beijing City Service in Mandarin 2300 GMT 9 May 81

[Station commentary: "To Develop Third-Category Production, We Must Eliminate Leftist Influence"]

[Text] At present, Beijing is launching studies on emphatically developing third-category production with stress on social services. This is an important content of implementing the four central instructions on the guiding principles for the building of the capital and of the readjustment of the economic structure.

Engaging in service labor in third-category production is essential labor in the overall process of social production. The service trade has great potential for development. There are many advantages in doing a good job in developing third-category production: The people will enjoy an easier life, and there will be more jobs available for youths awaiting employment. Furthermore, the good situation of stability and unity will be promoted. This is a job of practical and profound historical significance. However, over a long period of time we have been influenced by leftist ideology and have not done a good job in handling the relations between developing production and raising the people's living standard in theory and in practice. Since the establishment of the PRC, despite the fact that industrial production in Beijing is highly developed, we still put the emphasis on developing heavy industry. However, third-category production with emphasis on services to society has not developed accordingly. This has resulted in serious imbalance among all the departments of the national economy, as well as an irrational employment structure. As a result, many stubborn problems cropped up and they were not solved for a long period of time. To organize the youths awaiting employment to participate in services to society, and to make the people enjoy an even better life, we must devote major efforts to publicizing the significance of developing third-category production, emancipate our minds, take action, readjust policies, reform systems and ensure that third-category production will develop in a down-to-earth manner. We must further eliminate leftist influence in order to readjust the national economy according to the characteristics of the capital and devote major efforts to developing third-category production while carrying out readjustment.

First of all, we must understand that third-category production is an indispensable department in social production. It is a prerequisite that we must properly fulfill the people's need for clothing, food, housing and transport so as to develop social production. The whole process of production includes four procedures: production, distribution, exchange and consumption. Production is the starting point and consumption is the end. Without consumption, we cannot expand reproduction. As the living standard of the people is improving, people are crying out for more and better services. Beijing, the capital, is the political center of the country and people demand more from the service trade personnel. We must not confine ourselves within the old rigid framework of changing a consumer city into a producer city. We must integrate economic construction in the capital with improving the people's living standard and devote major efforts to developing third-category production.

Second, we must get rid of the idea that the state-owned economy should monopolize everything. We must attach importance to the development of the collective and individual economy. Because some people do not have a thorough understanding of the principles and policies stipulated at the third plenary session, and due to the fear that capitalism might be promoted, they do not support the development of the collective and individual economy. Nor do they want to work in enterprises under the system of collective ownership, or participate in the individual service trades. The biased social opinion toward the collective and individual economies has not been thoroughly straightened out. Actually, the party and state policy has clearly stipulated that collective ownership is an economy of a social nature and the individual economy is an essential supplement of the socialist economy. Using one's own labor in service trades to supplement the defects of the state-owned economy is in fact an honorable profession. Under the present situation whereby the country has limited money and material available, we can get quick results with little investment if we develop the collective and individual economy. Moreover, the people will enjoy a better life because the collective and individual economies are more flexible and more youths will be employed. Therefore, we must devote major efforts to supporting the development of the collective and individual economy, respect their physical labor and their lofty social status.



Third, we must make the management in urban areas suit the development of third-category production. According to the four central instructions on the guiding principles for the building of the capital: Beijing should be built into a clean, hygienic and beautiful city. However, it should also develop its economy, so that the people will enjoy a comfortable and stable life. We must properly settle the relations between the following aspects, that is, on the one hand, the people should lead a better life; on the other hand, the city should be kept clean. Leaders of the State Council have approved the opening of a cold drinks shop in the rostrum of Tiananmen to serve the local people and tourists from other places. If the rostrum of our country can open a cold drinks shop, why cannot other districts in Beijing also open shops to meet the needs of the local situation? Departments which take care of the appearance of the city, transport and planning must proceed from the actual situation, modify the present regulations of city management and support the development of third-category production in the capital so that it will prosper. All cadres and masses in the city must deepen their understanding, unify their thinking, take concerted action and work actively; then, third-category production in Beijing will certainly score significant results.

#### BEIJING READJUSTS CAPITAL CONSTRUCTION INVESTMENT

OW221221 Beijing XINHUA Domestic Service in Chinese 0025 GMT 22 May 81

[Excerpts] Beijing, 22 May (XINHUA)--In accordance with the general policy of economic readjustment and the four-point instruction of the CCP Central Committee Secretariat regarding Beijing's construction, Beijing has decided to further curtail the scale of its capital construction, readjust the direction of its investment and concentrate its efforts on changing the disproportionate construction situation of the past.

Beijing's capital construction projects for this year have already been specially discussed, examined and approved by the State Council. In accordance with Beijing's practical capability, a decision was made to reduce the housing construction projects demanded by various quarters from the original 18 million to 12 million square meters. According to the current construction plan, emphasis of this year's construction will be placed on projects relating to foreign relations, tourism and workers' housing as well as public municipal projects. Other projects will be curtailed according to their dispensability. In the light of this guideline, various central units in Beijing have suspended, deferred or curtailed over 120 construction projects. They all relate to industrial and office buildings, and 11 of them are large and medium-size projects. Most of the 41 large and medium-size projects and other small projects to be built this year are related to tourism, housing, municipal administration and public service.

To improve the proportion between municipal projects and other construction projects, Beijing this year will intensify construction of such municipal projects as roads, water supply system, drainage work, coal gas supply system, power supply system and telecommunications. This year, Beijing has planned to invest 200 million yuan in its municipal projects, as compared to 100 million yuan last year. The principal ones are: Constructing lanes for slow-moving vehicles and installing various underground pipelines for the second beltway, completing the third beltway, constructing the No 8 water supply plant, installing the sewage conduit and drainage system in the western suburb, constructing the Beijing coal gas plant as well as a batch of telephone subbureaus, substations and completing the round-the-city underground cable. Most of these projects have already been started.

#### LAWYERS MEETING ENDS IN BEIJING 21 MAY

OW211619 Beijing XINHUA in English 1553 GMT 21 May 81

[Text] Beijing, 21 May (XINHUA)--Former lawyers, who were transferred to other professions, are welcome to return, and each of the present 73 lawyers in the Chinese capital should train one or two young people to enter the legal profession within the next two years.

Cui Hu, director of the Beijing judicial bureau, made the comments today at the closing ceremony of the Beijing lawyers meeting, the first since the founding of new China in 1949.

According to statistics presented at the meeting, in 1980 lawyers of the city's two advisory offices in charge of legal affairs handled 826 criminal cases, and original sentences for 17.8 percent of the cases were reduced or the defendants were declared innocent. They also succeeded in mediation for more than 70 percent of the 74 civil cases accepted last year, and offered legal advice to 10,000 people, who visited or wrote to the two offices for legal help.

Some 800 lawyers are expected to be trained by the end of 1985 with the opening of a municipal institute of political science and law and by developing the present law night college and various kinds of training courses, Cui Hu said. "With the improvement of the socialist legal system," Cui Hu said, "Beijing is facing a sharp shortage of lawyers." Each day, he said, nearly 100 people, ranging from common citizens to high ranking officials, line up at the gate of the first law advisory office near Tiananmen Square. Their problems involve those of marriage, housing property and inheritance.

How Beijing's lawyers perform their duties were told at the meeting as it reviewed the advance of the legal system since 1979. In a traffic death accident, for example, policemen from the public security bureau put the main responsibility on the driver. But the driver's lawyer conducted similar investigation at the spot of the accident and concluded that the accused could not have seen the victim in his rearview mirror and therefore should not assume the major responsibility. As a result, the case was rehandled in the light of the new facts.

The first economic dispute handled by a lawyer of the city involved the Beijing No 5 glassworks and the Xujiagou production brigade, Qianan County, Hebei Province. The glassworks said feldspar provided by the brigade was not up to standards and refused to pay. The dispute remained unsolved for more than a year. The brigade's lawyer examined the case and decided that the brigade had not violated the contract between the two sides. The dispute was finally solved with the glassworks paying 25,000 yuan of the contracted 28,000 yuan.

More contract disputes are expected, Cui Hu said, because economic arrangements are now conducted with contracts between enterprises instead of administrative orders as in the past.

To meet new economic situations, Cui Hu said, the second lawyers advisory office has signed a contract with the city development and construction corporation to offer legal advice to factories and enterprises.

"Reconciliation" is the principle for handling civil cases, Cui Hu said. Lawyers handle civil cases according to government decrees and local regulations, because the civil law and civil procedure law have not been formulated.

#### HEBEI'S JIN MING ATTENDS SCIENCE CONGRESS

HK210628 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 11 May 81

[Summary] The second congress of the Hebei Provincial Science and Technology Association concluded on 10 May. Jin Ming, Jiang Yizhen, Li Erzong, Wang Zheng, Yang Zejiang, Yu Zongtai, Wang Yu, Zhang Kerang, Pan Chengxiao, Wang Dongning, Yang Naijun, Li Feng, Tan Qimin, Zhang Xiaodong, Ma Zhuozhou and Yin Yigang, responsible comrades of the provincial CCP Committee, People's Congress Standing Committee, People's Government and CPPCC, attended the closing ceremony.

Pei Lisheng, secretary of the party group of the All-China Science and Technology Association and vice chairman of the association, also attended the ceremony and made an important speech. Provincial CCP Committee Secretary and Governor Li Erzhong also spoke. The congress democratically elected the second committee of the provincial science and technology association.

The congress pointed out: "It is necessary to implement the 'double hundred' principle in science and technology work and ensure that those engaged in this work will have not be at all reluctant to make their views known. We cannot apply administrative measures to intervene in disputes between different schools and views in science. Science can then flourish and develop."

Comrade Li Erzhong's speech praised the contributions made by scientific workers in Hebei, and went on to point out: "We rely first on policies and second on science and technology to build a powerful modern socialist state. Our modernization drive cannot hope to succeed if we fail to attach importance to science and technology. Generally speaking, leading cadres at all levels in the province are now starting to pay more attention to this work. However this is still very far from sufficient. A few leading cadres still lack sufficient understanding of the importance of science and technology in the national economy. The whole party must actively support the work of science and technology workers and truly regard them as part of the working class and as a force to rely on. We must resolutely curb leftist attitudes and various prejudices toward science and technology personnel. We must fully trust them, resolutely rely on them, and boldly employ them."

#### HEBEI OFFICIAL NOTES PROBLEMS IN COUNTY ELECTIONS

HK210646 Shijiazhuang Hebei Provincial Service in Mandarin 0430 GMT 12 May 81

[Excerpts] Wang Hao, vice chairman of the provincial elections committee and director of the provincial civil affairs department, suggested in his report on the progress of direct county-level elections at the seventh meeting of the fifth provincial People's Congress Standing Committee: Party committees at all levels must strengthen leadership over the work of carrying out direct county-level elections, bring democracy into play, ensure the democratic rights of the electorate, strictly act according to law, and do well from beginning to end in completing this work in the province.

Wang Hao said: Since pilot projects were organized in 1980, by 25 April 41 counties and districts had completed the election of their deputies and convened people's congresses, while 11 counties and districts had elected their people's deputies and were preparing to hold people's congresses. Elections were currently underway in a further 14 counties and districts. Viewing the province as a whole, elections work has been successful and has developed steadily.

Wang Hao pointed out: Although certain achievements have been gained in the province's direct county-level elections, many problems have occurred and exist. Leaders in some places lack sufficient understanding of the importance of elections and do not pay enough attention to them. They have not grasped this work as an major task, and their leadership over it is ineffective. Due to insufficient preparation, elections came to a halt halfway in certain counties. Some counties demarcated the electoral area of the county organs too small, in order to elect more cadre deputies, and so on. Although these problems were rectified in good time, it must be pointed out that they all represent violations of the election laws and organic laws. Such problems must not occur again.



HSIN WAN PAO ON U.S. POLICY TOWARD CHINA

## Correspondent's Dispatch

HK181446 Hong Kong HSIN WAN PAO in Chinese 18 May 81 p 4

[HSIN WAN PAO correspondent's dispatch: "A Turning Point in U.S. Policy Toward China--Sino-American Relations Face a Severe Test"]

[Text] Beijing, 18 May--Experts and specialists in Beijing who are interested in Sino-American relations and international affairs have said: The current debate within the U.S. Government on its policy toward China indicates that the U.S. policy toward China is at a crucial turning point and that Sino-American relations face a severe test. According to them, although the United States has established diplomatic relations with China, the United States lacks a firm policy toward China. This vacillating policy is detrimental to the current international strategic situation and is also detrimental to U.S. interests.

Over the past month or so, the entire Reagan administration including the White House and the State Department, the supreme leader [as published], the secretary of state, the secretary of defense and other senior officials have all joined the debate on the U.S. policy toward China. The intensity of this debate has rarely been seen since the normalization of Sino-American relations and is also rare in the history of international affairs. A specialist in U.S. issues has noted: In their speeches, although these U.S. officials have attached different levels of importance to the U.S. policy toward China and expressed different views on this policy, they have all stressed that it is imperative to implement the U.S. "Taiwan Relations Act" and that the U.S. has "made commitments" to Taiwan. A gentleman who is a secretary within the Reagan administration has gone so far as to come out in support of Taiwan's rejoining the World Bank "as an independent country." This statement shows a lack of the most rudimentary knowledge of international affairs and should certainly not be regarded as the ravings of an addlebrained man.

During a discussion of this situation, a diplomat noted: This consistent tendency toward the Taiwan issue as shown by senior officials of the U.S. Government is very dangerous and may lead to a premature end of Sino-American friendship. He added: The contradiction between the principles on the establishment of Sino-American relations and the U.S. "Taiwan Relations Act" is very clear. It is simply ridiculous for U.S. officials to say: Maintaining good relations with China while preventing U.S.-Taiwan relations from "being weakened" are "not unreachable goals." If this spreads unchecked, we are sure that when U.S.-Taiwan relations move a step forward, Sino-American relations will move a step back. China will not ignore such things that touch upon its sovereignty.

However, judging from public opinion in the United States, we can see that there are some wise American people who have seen that the strengthening of Sino-American relations is of great importance to U.S. world strategy. They have also called on the American authorities to handle Sino-American relations with circumspection and to make no move without careful thought before hand. The effects of their voices are yet to be seen.

Two years have passed since the establishment of Sino-American diplomatic relations. What is the reason for the emergence of this current situation? A specialist in international affairs has noted: The current U.S. vacillating policy toward China reflects some U.S. monopoly financial groups' vested interests in Taiwan and their strong desires. At present, these forces are hankering after political and economic gains from their so-called "Taiwan, an aircraft carrier that will not sink." According to Taiwan and U.S. newspapers, since the establishment of Sino-American diplomatic relations 2 years ago, U.S. official and private investments in Taiwan have registered an increase of over \$2.1 billion. Compared with the U.S. investments made in the 2 years prior to establishment of Sino-American relations, this figure means a 100 percent increase. The profit rate of U.S. investments in Taiwan has been over 30 percent, thus greatly surpassing the average international profit rate. The U.S. has sold over \$2 billion worth of arms and ammunition to Taiwan over the past 2 years. This is the U.S. reason for insisting on selling arms and ammunition to Taiwan. An investigation reveals that only 8 large U.S. banks had branches in Taiwan 2 years ago, now a total of 12 large U.S. banks have branches in Taiwan. It seems that these capitalist forces will continue to grow.

The Taiwan authorities are currently trying to draw in and expand U.S. forces in Taiwan in a vain attempt to rely on imperialist forces to maintain the status quo. Taiwan is currently strengthening its activities in the U.S. and is also making every effort to achieve closer U.S.-Taiwan relations in order to check the healthy development of Sino-American relations.

An authoritative person has noted: These U.S. and Taiwan forces are making a greater effort to work in coordination. They aim at preventing Taiwan from returning to the embrace of the motherland and thwarting the great cause of the reunification of China. This is the essence of the U.S. current debate on its policy toward China. We must not regard this debate as unimportant.

'New Talk' Column

HK181112 Hong Kong HSIN WAN PAO in Chinese 18 May 81 p 1

["New Talk" column: "Washington Should Be Wiser"]

[Text] In response to Washington, some people in Beijing are again issuing the warning that "they would not turn a blind eye." This statement is different in nature and form from a similar statement made 30 years ago. It is not an official statement. However, the statement that they "would not turn a blind eye" cannot be ignored by Washington.

Some people in Beijing have pointed out that Sino-American relations are facing a severe test, and that a change and a retrogression may occur. This is because the Washington authorities are using the "Taiwan Relations Act" as a magic wand to play tricks. They want to improve their relations with Taiwan. Moreover, Taiwan wants them to do so in an undisguised way in order to make the improvement of their relations more "apparent." People in Beijing have issued the warning: When the Washington-Taiwan relations move a step forward, the Washington-Beijing relations will move a step backward. Beijing will "not ignore this."

Throughout its content, RENMIN RIBAO has hinted: If Washington sells weapons to Taiwan, then Sino-American relations will, like Sino-Netherlands relations, be downgraded to the charge d'affaires level.

In fact, since the establishment of diplomatic relations between China and the United States, weapons which Washington has sold to Taiwan have amounted to more than \$1 billion. If this continues and develops, it will by no means be a surprise to see China driven beyond the limits of forbearance.

In Washington, although the Reagan administration has repeatedly claimed that it will not restore official relations with Taiwan, Donald Regan, the treasury secretary, has maintained that Taiwan should be regarded as a "unitary" country and that it should join the World Bank. This is even more ridiculous than the fact that Washington is receiving Taiwan's "official visitors" in government offices.

No wonder, some people in Taiwan have recently publicized the idea that they want to enter the United Nations again.

Some Washington officials seem to be stupid. In fact, they are reckless. They are not so stupid that they do not understand the principles. Instead, they are so reckless that they imagine that Beijing will tolerate this. However, with regard to this belief and their estimate of Beijing, they have really proved themselves quite stupid. They should be wiser.

Washington should also understand that although it can make small gains in Taiwan, by taking the world situation as a whole, what alternative does it have if it wants to check the big hegemonist rather than be afraid of it and wants to suppress the small hegemonists as well as teach them a lesson? It would have given up justice in the face of profits.

Different from Japan, China may or may not be a roaring lion. But, it is no longer a sleeping lion.

WEN WEI PO: BACKGROUND TO SRV INCURSIONS INTO PRC

HK191154 Hong Kong WEN WEI PO in Chinese 19 May 81 p 2

[Special feature by Ku Chin-hsin [0657 6855 2450]: "The Background to Vietnamese Incursions Over the Chinese Border"]

[Text] In recent days, Vietnamese troops have repeatedly intruded into the border areas of our country. They have dispatched companies and regiments of troops in these military incursions. Even now, we can still see numerous troop movements. These armed provocations seem to be escalating.

What on earth are the Vietnamese trying to do?

This is obviously a carefully calculated political plot of Le Duan and his cohorts to shore up their awkward positions both at home and abroad, to continue their reliance on social imperialism in carrying on their policy of expansion, and to divert attention from internal contradictions by suppressing the resistance of the Vietnamese people and stirring up anti-China feelings.

Le Duan and his cohorts are now faced with three difficult problems:

1. The invasion of Kampuchea has created a dilemma. The Vietnamese economy is going from bad to worse and internal contradictions are deepening. Since 200,000 Vietnamese troops are in Kampuchea, the war expenditures are considerably high. So, Le Duan and his cohorts have called on the people to tighten their belts so as to make the best use of manpower and financial and material resources in the war. As a result, some of the economic construction plans have to be stopped or expenditures reduced. For instance, the plan to achieve self-sufficiency in grain production for 1976-1980 had to be abandoned. Le Duan and cohorts' policy of expansion and war is strongly opposed by the Vietnamese people and cadres.

In order to exclude their opponents within or outside the party, they have decided to expel from the party those who "do not carry out the party's internal or external lines," and those who "help the enemy oppose the revolution or do not take a clear-cut stand on the question of opposing the Beijing expansionist clique." What is more, they have even issued a new party identity card and every member of the party has been reexamined.

In January this year, Le Duan and his cohorts again turned on government officials and five ministers were dismissed from office. In order to suppress the cadres and people who are against their war policy, Le Duan and his cohorts also combed out the public security apparatus and forced cadres to "understand the new situation and new tasks," and be unconditionally loyal to them.

In July, Le Duan will be enthroned in accordance with the "new constitution" and become chairman of the National Council. Like Brezhnev, he will hold all the power of the party, the army and the state. According to the "new constitution," the chairman of the National Council commands the country's armed forces. Thus, Le Duan will be able to practice the policy of war and expansion without any restrictions.

2. The army and the people are tired of war and antiwar movements are developing. Many soldiers have realized that the invasion of Kampuchea is really a war of aggression and have refused to remain in the army. Last year in Can Tho Province, more than 10,000 people were called up for military service, but only half of them were actually dispatched to Kampuchea, the rest had run away. In some of the new regiments, the desertion rate is 70 percent. In Kampuchea, there was one instance of a soldier killing an officer and then fleeing. While in Hanoi, a retired soldier set himself on fire after writing on a wall in blood the slogan "oppose dispatching troops abroad." As a result of practicing the war policy, Vietnam's economy has been brought to collapse. There are 3 million people unemployed (which makes up 13 percent of the labor force). Some of them have robbed military vehicles as they stood in traffic, attacked warehouses, looted grain and arms and ammunition. Antigovernment guerrillas have also appeared.



3. Being unable even to fend for itself, the Soviet Union cannot give more "aid" to Vietnam, but has tacitly consented to Vietnam's begging Western countries for "relief." However, the Western countries have not been deceived. The Vietnamese have got nothing. Le Duan and his cohorts are anxious to solve the present problems and are in need of Soviet aid. To get aid from others, one must also do something in return. Le Duan has certainly a very good understanding of this philosophy.

It is because of this difficult situation that Le Duan has once again picked up his old trick, that is, to launch provocations against China and then deceive the world by saying that China has invaded Vietnam. In so doing, Le Duan will be able to play the trick of thief crying stop thief and increase military expenditures, conscript able-bodied men into the army, tell the people to tighten their belts and continue the war of aggression against Kampuchea. Anyone who is against the war policy will be labeled as a "Vietnamese renegade" and cruelly suppressed by the Le Duan clique.

Internationally, Vietnam's aggression against Kampuchea is being brought to trial. An international conference will be held in July to discuss the question of the withdrawal of the Vietnamese troops from Kampuchea. So, what the Vietnamese hope now is to divert people's attention. They have tried in vain to create a Sino-Vietnamese border problem, and by claiming to be the "weak side," they have confused things.

All these tricks are not new to Beijing. Le Duan and his cohorts will surely not accomplish anything.

Instead of being impatient and irritable, Beijing has adopted a two-way countermeasure. One is to be "patient," and the other is "to beat the dog after closing the door." Faced with the military provocations of the Vietnamese, they are showing great restraint and continuously exposing these military incursions over the Chinese border through diplomatic channels. Thus, they have put the Vietnamese in the position of an invader. RENMIN RIBAO usually gives prominent coverage to news about Vietnam's incursions while simultaneously reporting on an inside page news about the Chinese counterattack. In the border area, the method of "putting the dog in a bag" is being used. The invading Vietnamese troops are lured in deep and wiped out altogether. It is not a cowardly act for a fighter to "stop his horse with a ready bow," and to gain the advantage by striking only after the enemy has struck.

Military affairs are subordinate to politics. Since Chinese army men have strict discipline, and are both patient and brave in fighting, they have done a remarkable job in the defense of Chinese territory and forcefully smashed the political plot of the Vietnamese.

#### TA KUNG PAO DENOUNCES VIETNAMESE PROVOCATIONS

HK180658 Hong Kong TA KUNG PAO in Chinese 18 May 81 p 2

["Political Talk" column by Shih Chun-yu: "The Vietnamese Better Not Think That Their Provocations Can Yield Some Advantage"]

[Text] Deliberately Causing Tension

The Sino-Vietnamese border has recently echoed with gunfire, as the Vietnamese Army has launched frequent incursions into the border regions of China's Guangxi and Yunnan in company or even regimental force. China has resolutely repulsed the Vietnamese bandits on the one hand and strongly protested to Hanoi on the other, demanding that the Vietnamese rapidly put a stop to this, otherwise they will be responsible for all the consequences.

Since the beginning of this year, the Vietnamese have carried out planned and premeditated provocations on China's border. They have killed and injured people there, destroyed their property, and hampered them from carrying out production in a normal way. They have deliberately caused tension there. While the Vietnamese Army has been harassing China's border, Hanoi has been clamoring every day like a thief shouting "stop thief" that the Chinese army has been encroaching on the Vietnamese border. They really are brazen in the extreme.

**Hanoi Authorities Beset With Difficulties at Home and Abroad**

There have recently been changes in the anti-Vietnamese resistance of Kampuchea; Sihanouk is reorganizing the anti-Vietnamese forces there, while Son Sann has also expressed willingness to cooperate with Sihanouk. Attacks by the Democratic Kampuchea forces are being stepped up on every battlefield, making it difficult for the Vietnamese aggressors to maintain coherence. Some 200,000 Vietnamese troops are entangled on the battlefields of Kampuchea engaging in unjust military ventures, while at home economic difficulties grow worse each day, as has been confirmed by the large number of Vietnamese refugees fleeing their country.

On the international scene, the puppet Heng Samrin government propped up by Vietnam has been spurned by the great majority of countries. Phnom Penh recently staged an "election" farce under Vietnamese bayonets, which revealed even more clearly Hanoi's despicable motives. The ASEAN countries still refuse to establish relations with this puppet. The ASEAN foreign ministers' meeting convened in Jakarta on 8 May resolved to convene an international conference on the Kampuchea issue in New York in July, with the main aim of bringing about the withdrawal of the Vietnamese aggressor troops. This was a resolution adopted by an overwhelming majority at the UN General Assembly last year, but Vietnam and the Soviet Union have constantly exerted themselves to block it. Obviously, the withdrawal of Vietnamese troops from Kampuchea remains the strong demand of the countries of the world.

**The Kampuchea Situation Threatens Peace in Southeast Asia**

The Kampuchea problem has now become the greatest threat to peace in Southeast Asia, and the root of the problem is the Vietnamese invasion backed up by the Soviet Union. Hanoi's desires are insatiable; while occupying Kampuchea, they also threaten Thailand. At present Thai Vice Premier and Armed Forces Chief Suntharangkun is visiting China to discuss questions of common concern; obviously the discussions cannot get away from the consequences of the Soviet stooge Vietnam's invasion of Kampuchea and threat to Thailand.

The Vietnamese authorities feel that their difficulties are becoming ever greater as various countries strongly denounce them, and especially under the direct assault of the various factions in Kampuchea. Since China has consistently strongly opposed Hanoi's aggression in Indochina and supported the anti-Vietnamese forces in Kampuchea and Thai opposition to Vietnamese aggression, Vietnam is in an impasse and has again resorted to carrying out provocations on China's border and falsely accusing China of "aggression" against Vietnam. They have never ceased playing this trick ever since the large-scale Sino-Vietnamese conflict in February 1979.

**Resolutely Wiping Out Invading Enemies**

China's stand is: The Vietnamese bandits will be wiped out whenever they dare to intrude. A whole company was wiped out on 7 May, and over 150 more were wiped out on 16 May. This is the most direct answer to Hanoi. China endeavors to preserve a peaceful environment for her construction, but she can only resolutely hit at bandits who harass her. Hanoi would be well advised to sober up, and had better not think that its provocations can yield any advantage.

**CHANWANG ON DENG-HU GROUP VERSUS YE-HUA GROUP**

HK191306 Hong Kong CHANWANG in Chinese No 463, 16 May 81 p 2

[News from Beijing: Article by Ai Chung-hua [5337 0022 5478]: 'Hua Guofeng's 'House Is Searched and His Things Are Confiscated;' Ye Jianying 'Maintains Illicit Relations With Foreign Countries?''']

[Text] Beijing has undergone a silent civil war since the end of last year. The Deng-Hu group and the Ye-Hua group took clear-cut stands and each of them made some gains while suffering some losses. On the whole, the Deng-Hu group gradually gained a firm footing while the Ye-Hua group launched counterattacks from time to time.

For some time, the wind of "staging a comeback" blew at the central level. It was also said that the junior group of four (consisting of Wang Dongxing, Chen Xilian, Ji Dengkui and Wu De) wanted to be reinstated and the Deng-Hu group was under pressure. Some people said openly at a meeting of the party Central Committee: "Chairman Hua Guofeng smashed the gang of four in one blow. He is a prominent figure in the history of the Chinese revolution. Hu Yaobang usurped party and state power and went in for schemes and intrigues. To hell with him." Ye Jianying also said openly that he would advance or retreat side by side with Chairman Hua Guofeng.

Later, it was said during a discussion at the Secretariat of the party Central Committee: Hua Guofeng is not as busy as before and he should have fewer security guards. Before the discussion came to a conclusion, this opinion spread to Hua Guofeng's security guards so that some of them, thinking that Hua would surely fall into disgrace, applied for a leave of absence. Chairman Hua kept a great deal of valuable objects in his residence. Going away on leave, some security guards took with them a few of these objects and others who were even bolder took refrigerators and television sets. What was even more strange was that the car given by the German Siemens Company to Hua Guofeng was also taken away. At that time, some people said that this seemed as if Hua Guofeng's "house had been searched and his things have been confiscated."

Hua Guofeng reported this matter to the public security department, saying: "The national law should be observed even if party discipline no longer exists." There was more to it than what was said.

Zhad Cangbi, director of public security, organized a special group to investigate the theft in Hua Guofeng's residence. The investigators came to Hua's residence to collect evidence and take oral statements from every comrade. All information indicates that the theft was committed by those inside the residence. So, even Hua Guofeng had to give testimony. He was asked: "You keep many things in your house. Where did they come from?" He said that they were given him by his foreign friends. The investigator said: "According to state law, the state leader should submit to the state any gift received from his foreign friends. Why did you keep them as your own?" So, Hua Guofeng became the defendant rather than the plaintiff, and the special group of the public security department took away some precious objects from Hua's residence for further investigation. Therefore, some people said that this was the second time Hua's "house had been searched and his things have been confiscated."

Not to be humiliated, Hua Guofeng decided to hit back. At that time, Hu Qiaomu, one of the members of the Secretariat of the party Central Committee, wanted to resign from his concurrent post of the president of the Chinese Academy of Social Sciences. His resignation was approved by the party Central Committee. As laid down by the CCP Central Committee, the new president had to be elected from among vice presidents of the academy. Meanwhile, the Secretariat instructed the party group of the academy to "select" Yu Guangyuan to be the president. At the electoral meeting, all participants agreed that Yu Guangyuan was the most eligible candidate. Even Yu Guangyuan himself thought that he, with the support of the Secretariat, definitely had no problem in winning the post. He had drunk too much tea at the meeting so that he had to answer the call of nature. Surprisingly, while Yu Guangyuan was away, another vice president who was Hua Guofeng's trusted follower came forward and accused Yu of being a renegade and reactionary. A solemn silence reigned and no one spoke. When Yu Guangyuan returned to his seat, the chairman of the meeting announced that "advice on the election of the president should be sought from the CCP Central Committee." This was not an earth-shaking matter. But, it gives people the impression that Beijing's political weather is changeable and a political setback may occur within a few minutes.

Neither was the Deng-Hu group reconciled to this defeat. According to the public security department's report, some precious objects collected as evidence from Hua Guofeng's residence were tested carefully by using a scientific method and evidence was found showing "illicit relations with foreign countries." For this reason, Hua Guofeng was told to give an explanatory statement.



In his statement, Hua Guofeng said: I have made many mistakes. Formerly I had dubious relationship with Lin Biao and the gang of four, obstructed the reinstatement of Comrades Deng Xiaoping and Chen Yun, supported the whatever group (the junior gang of four), delayed rehabilitation of those who had been wronged, advocated a big leap forward in Westernization, received gifts from foreign friends without submitting them to the state, established myself as an object of worship, went in for factionalism, and even allowed this incident of the Chinese Academy of Social Sciences to happen. These were all my mistakes. However, the documents about "illicit relations with foreign countries" belonged to Marshal Ye (Ye Jianying), and I know nothing about them...

The focus of the investigation was shifted to Ye Jianying. He was required to testify in person.

The evidence on "illicit relations with foreign countries" could mean a serious or minor mistake on Ye Jianying's part. It could be taken as a treason or interpreted as a contribution toward cultivating friendship with foreigners and toward the party and the state. The question lies in whether Ye Jianying was cooperative.

Eventually, Ye Jianying became compliant. He was said to have put forth points of demands to the CCP Central Committee. This rumor meant only to save his face. He promised to go back to Beijing.

The higher party school of the CCP Central Committee called a meeting to criticize Hua Guofeng. Hua was the president as well as a student of this school. Feng Wenbin presided over this meeting. He said: Some people said that Comrade Hua Guofeng rendered meritorious service by leading the endeavor to smash the gang of four. That statement is untenable. A communist who makes revolution should not claim credit for himself. Furthermore, how can the smashing of the gang of four be interpreted as a single man's meritorious service? On the other hand, even if Comrade Hua Guofeng had contributed to the party by smashing the gang of four, the mistakes which he committed over the past few years have been found to have more than offset his meritorious service.

The Secretariat gave these instructions: The party's major task at present is to oppose the left. Hua Guofeng is the sole agent and chief behind-the-scenes boss of the leftist line in the party after the downfall of the gang of four. The party will give him a chance to correct his mistakes if he recognizes them. While opposing the left, the party should not forget the danger of rightist opportunism.

Therefore, observers in Beijing hold that in its struggle against the Ye-Hua group, the Deng-Hu group is sure to win but setbacks are not impossible. The Deng-Hu group does not want the Ye-Hua group to call it an "anti-Mao," "rightist" and "capitalist" group. Therefore, while aiming the spearhead of struggle at Hua Guofeng and his associates, the Deng-Hu group wants to name a few democrats in the publishing circles (such as Xu Wenli) and writers in the party who are inclined toward liberalism (such as Bai Hua) to accompany Hua Guofeng in the struggle, so as to prove that it "shoots to the left and the right."

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